

By Mr. CROWLEY: Papers to accompany House bill for the relief of Sampson Parker—to the Committee on Invalid Pensions.

Also, papers to accompany House bill for the relief of Nelson J. Partlow—to the Committee on Invalid Pensions.

Also, paper to accompany House bill No. 9840, granting a pension to William Snider—to the Committee on Invalid Pensions.

Also, petitions of Grand Army of the Republic posts and numerous citizens of the State of Illinois, to grant pensions to soldiers and sailors who served ninety days or more in the military or naval service of the United States during the war of the rebellion—to the Committee on Invalid Pensions.

By Mr. CURTIS: Petitions of C. E. Joslin and R. B. Kelly, druggists, of Topeka, Kans., for the repeal of the stamp tax on medicines, etc.—to the Committee on Ways and Means.

Also, petition of citizens of Douglas and Atlanta, Kans., protesting against the passage of the Loud bill—to the Committee on the Post-Office and Post-Roads.

Also, resolution of Corning Post, No. 259, Department of Kansas, asking for the setting aside of Beecher Island for a national park—to the Committee on Military Affairs.

Also, petition of Carpenters' Union of Topeka, Kans., in favor of having some of the work on new ships done at the United States navy-yards—to the Committee on Naval Affairs.

By Mr. DAHLE of Wisconsin: Protest of Hubert Springer and 175 other citizens of Waterloo, Wis., against the passage of House bill No. 5791, relating to the collection of judgments against municipal corporations—to the Committee on the Judiciary.

Also, petition of Conrad Engsborg, of Lake Mills, Wis., for the repeal of the stamp tax on medicines, etc.—to the Committee on Ways and Means.

By Mr. GASTON: Petitions of the Methodist Episcopal Church, Baptist Church, and Patrons of Husbandry Grange, of Townville, and Methodist Episcopal Church of Union City, Pa., urging the passage of House bill prohibiting the sale of liquor in Army canteens, etc.—to the Committee on Military Affairs.

Also, petition of John Fisher Post, No. 337, of Riceville, Pa., Grand Army of the Republic, in favor of House bill No. 7094, to establish a Branch Soldiers' Home at Johnson City, Tenn.—to the Committee on Military Affairs.

Also, petition of North Shenango Central Grange, of Crawford County, Pa., in favor of the passage of House bill No. 3717, amending the oleomargarine law—to the Committee on Agriculture.

By Mr. GRAHAM: Petition of J. P. Urben, of Allegheny, Pa., for the repeal of the tax on medicines, perfumery, and cosmetics—to the Committee on Ways and Means.

Also, resolutions of Electrical Brotherhood of Columbus, Ohio, against any legislation regulating the manufacture of butterine—to the Committee on Agriculture.

Also, petition of the Chamber of Commerce of the State of New York, favoring the passage of House bill No. 10374, amending the postal law relating to second-class mail matter—to the Committee on the Post-Office and Post-Roads.

Also, petition of the Merchants' Association of New York City, for improved postal service—to the Committee on the Post-Office and Post-Roads.

By Mr. GRIFFITH: Resolution of Gerber Post, No. 562, Grand Army of the Republic, Department of Indiana, in favor of House bill No. 7094, to establish a Branch Soldiers' Home at Johnson City, Tenn.—to the Committee on Military Affairs.

By Mr. HENRY of Connecticut: Petition of K. T. Cummings and other retail druggists of Hartford, Conn., for the repeal of the tax on medicines, perfumery, and cosmetics—to the Committee on Ways and Means.

By Mr. HILL: Petition of H. P. Bissell and other druggists of Ridgefield, Conn., for the repeal of the stamp tax on medicines, etc.—to the Committee on Ways and Means.

By Mr. HOWELL: Petition of druggists of Perth Amboy, Asbury Park, and Ocean Grove, N. J., for the repeal of the tax on medicines, perfumery, and cosmetics—to the Committee on Ways and Means.

By Mr. JACK: Petition of W. H. Johnston and others, of Westmoreland County, Pa., favoring the passage of the Grout bill to amend the oleomargarine law of 1896—to the Committee on Agriculture.

By Mr. KERR: Petition of druggists and citizens of Bellville, Ohio, for the repeal of the tax on medicines, perfumery, and cosmetics—to the Committee on Ways and Means.

By Mr. LIVINGSTON: Petition of William N. McConnell, of Fulton County, Ga., for reference of war claim to the Court of Claims—to the Committee on War Claims.

Also, petition of the heirs of Hiram S. Adams, deceased, of Fulton County, Ga., praying reference of war claim to the Court of Claims—to the Committee on War Claims.

By Mr. LLOYD: Petition of citizens of the First Congressional district of Missouri, asking that the Missouri State Militia be pensioned—to the Committee on Invalid Pensions.

Also, petitions of Post 166, of La Grange, and Post No. 25, of

Glenwood, Department of Missouri, Grand Army of the Republic, in favor of House bill No. 7091, to establish a Branch Soldiers' Home at Johnson City, Tenn.—to the Committee on Military Affairs.

By Mr. McCALL: Paper to accompany House bill for the relief of Paul Curtis, of Boston, Mass.—to the Committee on War Claims.

By Mr. MAHON: Petitions of the Women's Christian Temperance unions of Lewisburg and Reedsville, Pa.; First Baptist Church of Huntingdon, Pa.; Epworth League of the Methodist Episcopal Church, Luther League of the Lutheran Church, and the Christian Endeavor Society of the Presbyterian Church, of Reedsville, Pa., for the passage of the Bowersock anti-canteen bill—to the Committee on Military Affairs.

By Mr. MEEKISON: Petition of West Hope Grange, No. 215, Patrons of Husbandry, of Ohio, in favor of postal savings banks—to the Committee on the Post-Office and Post-Roads.

Also, petition of West Hope Grange, No. 215, Patrons of Husbandry, of Ohio, in relation to anti-trust laws—to the Committee on the Judiciary.

Also, petition of West Hope Grange, No. 215, Patrons of Husbandry, of Ohio, in relation to adulterated food products—to the Committee on Agriculture.

Also, petition of West Hope Grange, No. 215, Patrons of Husbandry, favoring legislation for the election of United States Senators by popular vote—to the Committee on Election of President, Vice-President, and Representatives in Congress.

By Mr. RHEA of Kentucky (by request): Papers to accompany House bill for the relief Simeon B. Leech, of Todd County, Ky.—to the Committee on Invalid Pensions.

By Mr. RICHARDSON: Petition of E. S. Hough and other druggists of Manchester, Tenn., for the repeal of the stamp tax on proprietary medicines—to the Committee on Ways and Means.

By Mr. ROBERTS: Petition of Joseph W. Colcord, of Lynn, Mass., for the repeal of the stamp tax on proprietary medicines—to the Committee on Ways and Means.

By Mr. SCUDDER: Petition of Lewis O. Conklyn Post, No. 627, Department of New York, Grand Army of the Republic, in favor of House bill No. 7094, to establish a Branch Soldiers' Home at Johnson City, Tenn.—to the Committee on Military Affairs.

By Mr. SIBLEY: Petition of Eldred Grange, No. 467, Patrons of Husbandry, of Pennsylvania, in favor of Senate bill No. 1439, relating to an act to regulate commerce—to the Committee on Interstate and Foreign Commerce.

By Mr. HENRY C. SMITH: Petition of Frenchtown Grange, No. 749, Monroe County, Mich., in favor of the passage of House bill No. 3717, amending the oleomargarine law—to the Committee on Agriculture.

By Mr. STEWART of New Jersey: Petition of Dr. M. A. Mackintosh, of Paterson, N. J., relating to the stamp tax on medicines, perfumery, and cosmetics—to the Committee on Ways and Means.

By Mr. THAYER: Petition of the Woman's Christian Temperance Union and Rev. Arthur Bonner, of Medford, Mass., in favor of the Bowersock anti-canteen bill—to the Committee on Military Affairs.

By Mr. THOMAS of North Carolina: Petition of Richard Berry and other druggists of Newbern, N. C., for the repeal of the tax on medicines, perfumery, and cosmetics—to the Committee on Ways and Means.

By Mr. WACHTER: Papers to accompany House bill to remove the charge of desertion now standing against Marmaduke R. Goodwin, late of Company F, Seventeenth New York Infantry—to the Committee on Military Affairs.

By Mr. WILSON of Idaho: Petition of W. H. Baugh, of Shoshone, Idaho, for the repeal of the tax on medicines, perfumery, and cosmetics—to the Committee on Ways and Means.

SENATE.

FRIDAY, May 11, 1900.

Prayer by the Chaplain, Rev. W. H. MILBURN, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. HALE, and by unanimous consent, the further reading was dispensed with.

The PRESIDENT pro tempore. Without objection, the Journal will stand approved.

STATISTICS RELATIVE TO PUBLIC BUILDINGS.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of the 25th instant, a report showing, by States, the number, location, character, and cost of each completed public building under the control of the Treasury Department, etc.; which, with the accompanying papers, was referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

ELECTRIC-LIGHT PLANT.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of the Interior, submitting an estimate of appropriation for an electric-light plant for the Interior Department building, \$53,423; which, with the accompanying papers, was referred to the Committee on Appropriations, and ordered to be printed.

UNION PACIFIC RAILWAY INDEBTEDNESS.

The PRESIDENT pro tempore laid before the Senate a communication from the Attorney-General, transmitting, in further response to a resolution of April 14, a report of Howard S. Abbott, special master, transmitting claims filed against the estate of the Union Pacific Railway Company under and pursuant to the terms of the order filed and entered February 16, 1898, etc.; which, with the accompanying papers, was referred to the Committee on Pacific Railroads, and ordered to be printed.

COST OF PUBLIC BUILDINGS.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Supervising Architect in relation to the necessity for extending the limit of cost heretofore authorized by Congress for the construction of certain public buildings, and making appropriations in accordance therewith; which, with the accompanying papers, was referred to the Committee on Appropriations, and ordered to be printed.

VESSEL BRIG DOVE.

The PRESIDENT pro tempore laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting the conclusions of fact and of law filed under the act of January 20, 1885, in the French spoliation claims set out in the annexed findings by the court relating to the vessel brig *Dove*, Joseph Tyler, master; which, with the accompanying papers, was referred to the Committee on Claims, and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses to the amendments of the House to the bill (S. 2650) granting an increase of pension to Katharine Taylor Dodge.

The message also announced that the House had receded from its amendment to the bill (S. 2657) to reimburse sundry collectors of internal revenue for internal-revenue stamps paid for and charged in their accounts and not received by them.

The message further announced that the House had agreed, with amendments, to the concurrent resolution of the Senate to print 7,000 copies of *The Smithsonian Institution: Documents relative to its Origin and History, etc.*; in which it requested the concurrence of the Senate.

The message also announced that the House had passed a concurrent resolution to print 8,500 copies of the *Cruise of the U. S. Revenue Cutter Bear and the Overland Expedition for the Relief of the Whalers in the Arctic Ocean, from November 27, 1897, to September 13, 1898, etc.*; in which it requested the concurrence of the Senate.

The message further announced that the House had passed a concurrent resolution to print 17,500 copies of Bulletin No. 20 of the Division of Vegetable Physiology and Pathology, United States Department of Agriculture—*Peach Leaf Curl: Its Nature and Treatment, etc.*; in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. HOAR presented a petition of the Woman's Christian Temperance Union of Salem, Mass., and a petition of the congregation of the Franklin Street Congregational Church, of Somerville, Mass., praying for the enactment of legislation to prohibit the sale of intoxicating liquors in Army canteens, etc.; which were referred to the Committee on Military Affairs.

Mr. SPOONER presented the petition of William McCrossin and 64 other citizens of Elkhorn, Wis., praying for the enactment of legislation to increase the tax on oleomargarine when colored to resemble butter; which was referred to the Committee on Agriculture and Forestry.

Mr. BURROWS presented a petition of the Harrow Spring Company and 12 other manufacturing firms of Kalamazoo, Mich., praying for the ratification of what is known as the French treaty; which was referred to the Committee on Foreign Relations.

He also presented a memorial of the Young People's Society of Christian Endeavor of the Church of Christ of Ann Harbor, Mich., remonstrating against the enactment of legislation extending the time during which animals in transit may lawfully be deprived of food and water beyond its present limit of twenty-four hours; which was referred to the Committee on Interstate Commerce.

He also presented a petition of Bowne Grange, No. 219, Patrons of Husbandry, of Bowne Center, Mich., praying for the enact-

ment of legislation providing for the election of United States Senators by a direct vote of the people; which was referred to the Committee on Privileges and Elections.

Mr. PENROSE presented a petition of the Grocers and Importers' Exchange of Philadelphia, Pa., praying for the adoption of certain amendments to the postal laws; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of the congregation of the United Presbyterian Church of Avalon, Pa., praying for the enactment of legislation to prohibit the sale of intoxicating liquors in any post exchange or canteen or transport, or upon any premises used for military purposes by the United States; which was referred to the Committee on Military Affairs.

He also presented a petition of Concord Grange, No. 1125, Patrons of Husbandry, of Pennsylvania, praying for the enactment of legislation to secure to the people of the country the advantages of State control of imitation dairy products; which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of Concord Grange, No. 1125, Patrons of Husbandry, of Pennsylvania, praying for the adoption of certain amendments to the interstate-commerce law; which was ordered to lie on the table.

REPORTS OF COMMITTEES.

Mr. PETTUS, from the Committee on Military Affairs, to whom was referred the joint resolution (S. R. 82) for erecting a monument to the soldiers who fell in the battle of Talladega, Ala., on the 9th day of November, 1813, and for other purposes, reported it without amendment, and submitted a report thereon.

Mr. McCUMBER, from the Committee on Indian Affairs, to whom was referred the bill (S. 3145) granting a right of way to the Jamestown and Northern Railway through the Devils Lake Indian Reservation, in the State of North Dakota, reported it without amendment, and submitted a report thereon.

Mr. FRYE, from the Committee on Commerce, reported an amendment proposing to appropriate \$250,000 as an emergency fund, to be expended under the direction of the Secretary of War for the purpose of preserving and maintaining existing improvements upon rivers and harbors, intended to be proposed to the sundry civil appropriation bill, and moved that it be referred to the Committee on Appropriations and printed; which was agreed to.

Mr. MASON, from the Committee on Manufactures, to whom was referred the bill (S. 2426) to prevent the manufacture of adulterated foods, reported it with amendments.

BILLS INTRODUCED.

Mr. PRITCHARD introduced a bill (S. 4654) for the relief of James M. Allen, administrator of William H. Allen, deceased; which was read twice by its title, and, with the accompanying paper, referred to the Committee on Claims.

Mr. LODGE introduced a bill (S. 4655) to purchase a painting of the frigate *Constitution*, known as "Old Ironsides," and entitled "Old Ironsides," which was read twice by its title, and referred to the Committee on the Library.

Mr. MONEY introduced a bill (S. 4656) for the relief of the estate of George M. Coker, deceased; which was read twice by its title, and referred to the Committee on Claims.

He also introduced a bill (S. 4657) to provide for the investigation of the historical archives and public records of the several States and Territories, and of the United States, with a view to their preservation by publication; which was read twice by its title, and referred to the Committee on the Library.

Mr. FRYE introduced a bill (S. 4658) relating to the anchorage of vessels in the Kennebec River at or near Bath, Me.; which was read twice by its title, and referred to the Committee on Commerce.

Mr. PLATT of New York introduced a bill (S. 4659) for the relief of sick and wounded officers of the Army of the United States; which was read twice by its title, and referred to the Committee on Military Affairs.

Mr. PENROSE introduced a bill (S. 4660) granting an increase of pension to Edwin G. Fay; which was read twice by its title, and referred to the Committee on Pensions.

He also introduced a bill (S. 4661) to correct the military record of Jacob Metzinger; which was read twice by its title, and referred to the Committee on Military Affairs.

He also introduced a bill (S. 4662) to create a new Federal judicial district in Pennsylvania, to be called the middle district; which was read twice by its title, and referred to the Committee on the Judiciary.

Mr. McENERY introduced the following bills; which were severally read twice by their titles, and referred to the Committee on Claims:

A bill (S. 4663) for the relief of John B. Boggs;

A bill (S. 4664) for the relief of the estate of Sosthene Donerfbourg, deceased;

A bill (S. 4665) for the relief of the estate of Mary S. Porter,

widow of Samuel Stafford, deceased, late of New Orleans, La.; and

A bill (S. 4666) for the relief of F. B. Chippert (with an accompanying paper).

Mr. ELKINS introduced a bill (S. 4667) to provide for the purchase of a site and the erection of a building thereon at Grafton, in the State of West Virginia; which was read twice by its title, and referred to the Committee on Public Buildings and Grounds.

Mr. MONEY introduced a bill (S. 4668) for the relief of Mrs. E. A. B. Legg; which was read twice by its title, and referred to the Committee on Claims.

Mr. DAVIS introduced a joint resolution (S. R. 122) respecting the unveiling of the statue of Lafayette, at Paris, France, July 4, 1900; which was read twice by its title, and referred to the Committee on Foreign Relations.

Mr. HANNA introduced a joint resolution (S. R. 123) for a preliminary examination and survey of Cleveland Harbor, with a view to the further improvement thereof; which was read twice by its title, and referred to the Committee on Commerce.

AMENDMENTS TO SUNDRY CIVIL APPROPRIATION BILL.

Mr. CARTER submitted an amendment proposing to increase the appropriation for gauging the streams and determining the water supply of the United States, including the investigation of underground currents and artesian wells in arid and semiarid regions from \$50,000 to \$250,000, intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on Irrigation and Reclamation of Arid Lands, and ordered to be printed.

Mr. LODGE submitted an amendment proposing to appropriate \$10,000 for making a preliminary examination and survey in Boston Harbor, with a view of providing channels from the navy-yard at Charlestown and the Chelsea Bridge and Charles River Bridge to President Roads, etc., intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on Commerce, and ordered to be printed.

Mr. PLATT of New York submitted an amendment proposing to appropriate \$100,000 for the purchase of gas buoys, intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on Appropriations, and ordered to be printed.

Mr. FORAKER submitted an amendment proposing to appropriate \$300 to pay for services rendered the Committee on Pacific Islands and Porto Rico in preparing the document entitled "Organic Acts for the Territories of the United States," intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on Pacific Islands and Porto Rico, and ordered to be printed.

Mr. LINDSAY submitted an amendment fixing the salary of the appointment clerk of the Census Bureau at \$2,500, intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on the Census, and ordered to be printed.

Mr. MCCOMAS submitted an amendment proposing to appropriate \$10,000 for grading and improving Joliet street between the Tunlaw road and Wisconsin avenue, or the Georgetown and Rockville road, intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on Appropriations, and ordered to be printed.

Mr. BATE submitted an amendment authorizing the Secretary of War to furnish one complete set of the official records of the Union and Confederate armies to each Senator, Representative, and Delegate of the Fifty-sixth Congress not now entitled by law to receive the same, etc., intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on Appropriations, and ordered to be printed.

He also submitted an amendment authorizing the Secretary of War to furnish one complete set of the Official Records of the Union and Confederate Armies to each Senator, Representative, and Delegate of the Fifty-sixth Congress not now entitled by law to receive the same, etc., intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on Military Affairs, and ordered to be printed.

PURE-FOOD BILL.

Mr. MASON submitted sundry amendments intended to be proposed by him to the bill (S. 2426) to prevent the manufacture of adulterated foods; which were ordered to lie on the table and be printed.

FREE-HOME BILL.

On motion of Mr. NELSON, it was

Ordered, That House bill No. 293, providing for free homesteads on the public lands for actual and bona fide settlers, and reserving the public lands for that purpose, be referred to the Committee on Public Lands.

Mr. NELSON subsequently, from the Committee on Public Lands, reported the foregoing bill without amendment, and submitted a report thereon.

CUBAN INVESTIGATION.

Mr. BACON. I offer a resolution which I ask may be read, printed, and lie on the table until to-morrow.

The resolution was read, as follows:

Resolved by the Senate, That the Committee on Relations with Cuba is hereby directed to investigate and report to the Senate as early as practicable regarding the moneys received and expended in the island of Cuba by, through, and under the officials and representatives of the United States, both civil and military, from the date of the occupation of Cuba by the military forces of the United States until and including the 30th day of April, 1900.

Said committee shall investigate and report as to receipts, as follows: From customs, from postal service, from internal revenue, from all other sources, specifying the details as far as practicable, and particularly the places where and dates within which said amounts were collected or received, and the officer or officers collecting and receiving the same, as well as the law, or authority under which said amounts were in each instance so collected or received.

Said committee shall investigate and report as to the expenditures of the said amounts so received, the necessity and propriety thereof, specifying in classes and in detail so far as practicable said expenditures, and particularly the work, services, or property for which said expenditures were made, and the value thereof; also the law or authority under which each of said expenditures was made, the officer, civil or military, by whom said expenditure was authorized, and the officer, civil or military, by whom said expenditure was made, and the particular fund from which the money was taken for said expenditure.

Said committee shall also report a statement of all public works of every kind, including buildings, wharves, railroads, and all other structures built or constructed, improved, repaired, or decorated by or under the authority of any such officer, civil or military; and in each instance the cost, value, necessity, and propriety of the same, and the uses to which said buildings or structures have been put. Where said buildings and works were constructed or improvements were made by contract, or where the material used in the same was furnished by contract, the committee shall report copies of each of said contracts and the names of all parties interested in each of the same.

Said committee shall also report a statement of the personal property which was purchased or procured and intrusted to any officer, civil or military, in Cuba within said time, the cost and value of the same, and the uses to which said property has been put, and the disposition which has been made thereof.

Mr. COCKRELL. Let the resolution be printed in the RECORD, as well as separately.

Mr. HALE. Having been read, it will be printed in the RECORD.

Mr. BACON. I can not hear the remark of the Senator from Maine.

Mr. HALE. The Senator asks that the resolution may go over, does he not?

Mr. BACON. I asked that it might be printed and lie on the table until to-morrow.

The PRESIDENT pro tempore. The resolution will be printed, and it goes over.

KATHARINE TAYLOR DODGE.

Mr. GALLINGER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2650) granting an increase of pension to Katharine Taylor Dodge, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to amendments as follows:

In lieu of the sum proposed by the House insert "thirty." In line 2, after the word "receives," insert "and \$2 per month additional on account of the minor child of said Charles Dodge, jr., until such child shall arrive at the age of 16 years;" and the House agree to the same.

J. H. GALLINGER,
J. V. QUARLES,
RICHARD R. KENNEY,
Managers on the part of the Senate.
H. C. LOUDENSLAGER,
JACOB H. BROMWELL,
S. W. DAVENPORT,
Managers on the part of the House.

The report was agreed to.

RESOLUTION FOR SEATING OR UNSEATING A SENATOR.

The PRESIDENT pro tempore. The morning business is closed. The Chair lays before the Senate a resolution which will be read. The Secretary read the resolution submitted by Mr. CHANDLER on the 7th instant, as follows:

Resolved, That a resolution for seating or unseating a Senator when once before the Senate is always in order as a question of privilege under Rule VI, except as provided in said rule, and has preference over all other business; but is subject to the motions provided for in Rule XXII.

Mr. CHANDLER. I desire to submit some remarks upon that resolution, but in deference to the pending naval appropriation bill I defer them and ask that the resolution may retain its place, so that it can be called up hereafter.

The PRESIDENT pro tempore. Subject to the call of the Senator from New Hampshire. Is there objection to the request?

Mr. BACON. What is the request of the Senator from New Hampshire? I did not hear it.

The PRESIDENT pro tempore. That the resolution shall retain its place on the table subject to the call of the Senator from New Hampshire.

Mr. BACON. The reason why I make the inquiry is to ascertain whether the Senator desires that it shall remain on the table in order that he may address the Senate upon it.

Mr. CHANDLER. I do. I intend, at the earliest possible moment consistent with the other business of the Senate, to speak upon the resolution.

Mr. BACON. Of course, if the Senator so desires, I will not make the motion which I intended to make—that the resolution be referred to the Committee on Rules.

Mr. CHANDLER. I have no objection to the Senator making that motion after I submit remarks upon the resolution.

Mr. BACON. I shall not make it now, of course, since the Senator desires to speak upon the resolution.

NAVAL APPROPRIATION BILL.

Mr. HALE. I move that the Senate proceed to the consideration of the naval appropriation bill.

The PRESIDENT pro tempore. The Senator from Maine moves that the Senate proceed to the consideration of the bill (H. R. 10450) making appropriations for the naval service for the fiscal year ending June 30, 1901, and for other purposes.

The motion was agreed to.

Mr. SIMON. I ask the Senator from Maine to yield to me one moment, that I may call up a bill.

Mr. HALE. I am willing to yield if it will not give rise to any debate. If it does, I must ask the Senator to withdraw it.

LANDS IN ALASKA.

Mr. SIMON. I ask unanimous consent for the present consideration of the bill (H. R. 2757) to authorize the purchase of certain lands in the district of Alaska. It is a matter of some importance and is a bill which, I think, will give rise to no discussion.

The PRESIDENT pro tempore. The Senator from Oregon asks unanimous consent for the present consideration of a bill which will be read in full to the Senate for its information.

The Secretary read the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER. Let the bill be read again. I notice that it proposes some amendment to the existing law.

The PRESIDENT pro tempore. The bill will be again read.

Mr. PETTUS. With the report also.

The PRESIDENT pro tempore. The bill was reported from the Committee on Public Lands with an amendment. The bill will be read as it is proposed to be amended.

The Secretary read the bill as proposed to be amended.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. JONES of Arkansas. Mr. President, what is the bill?

Mr. CARTER. The junior Senator from California [Mr. BARD] understands the terms of the bill and its purposes, and he can doubtless explain it tersely.

Mr. HALE. I only yielded on condition that the bill should give rise to no debate.

Mr. JONES of Arkansas. I should like to know what it is.

The PRESIDENT pro tempore. Perhaps the Senator from Arkansas will recognize it from the title.

The bill was read by title.

Mr. BERRY. Does the bill come from the Committee on Public Lands?

The PRESIDENT pro tempore. It is reported from the Committee on Public Lands.

Mr. BERRY. I think the bill is all right. The Senator from California [Mr. BARD] has it in charge. It has been before the committee. It is a bill which has passed the other House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The amendment of the Committee on Public Lands was, in line 6, after the word "survey," to strike out the remainder of the bill, in the following words:

At \$2.50 per acre, being the price fixed by section 10 of the act of Congress approved May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in the district of Alaska, and for other purposes," and upon such payment patent shall issue as in other cases: *Provided*, That the right of way reserved under said act approved May 14, 1898, shall not be included in said patent.

And in lieu thereof to insert the following proviso:

Provided, That there shall be reserved to the United States for the use of the public as a highway a strip of land 60 feet in width, parallel with and as near as may be practicable to the shore line of Shellikoff Straits; and for the purpose of allowing access by the public to the waters of Shellikoff Straits, a strip of land 50 feet in width across said survey shall also be reserved, to be located, as near as practicable, between corners 17 and 30 of said survey, extending from Shellikoff Straits to the Karluk River, and not to interfere with any existing improvements; and upon payment of the price of \$2.50 per acre for said land, and submission of proof that said land embraces improvements of the claimant and is needed in the prosecution of its business, patent shall issue as in other cases under section 10 of the act of Congress approved May 14, 1898, entitled "An act extending the homestead laws and providing for right of way for railroads in the district of Alaska, and for other purposes;" but the limitation in said act, that no entry shall extend along the water front for more than 160 rods, shall not be held to apply to such entry of the Karluk Packing Company.

So as to make the bill read:

Be it enacted, etc., That the Karluk Packing Company, claiming under amended survey No. 24, in the district of Alaska, or its successor in interest, may purchase the land embraced in said survey: *Provided*, That there shall be reserved to the United States for the use of the public as a highway a strip of land 60 feet in width, parallel with and as near as may be practicable to the shore line of Shellikoff Straits, etc.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

NAVAL APPROPRIATION BILL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10450) making appropriations for the naval service for the fiscal year ending June 30, 1901, and for other purposes, the pending question being on the amendment submitted by Mr. TILLMAN to the amendment reported by the Committee on Naval Affairs.

Mr. LODGE. I have no desire, Mr. President, to detain the Senate on this question of armor more than a very few moments. I certainly shall not attempt to enter into the question of the merits of the different kinds of armor, which has been so ably discussed by the Senators from New Hampshire and South Carolina, who are experts on that subject.

Nor do I think it is necessary to discuss the point as to whether we should have any ships at all because armor has been shown to be penetrable. It seems to me that that is an argument which goes altogether too far and bears with it its own refutation. Carried out to its full extent, it would amount to saying that we should not have ships because they sometimes sink or fortifications because they can be knocked down. Long before the days of armored ships we were told on high authority that "ships are but boards, sailors but men; there are land rats and water rats, land thieves and water thieves—I mean pirates—and the perils of wind, rocks, and waters." Yet, although those things were all true at that period, in the age of Elizabeth, it was not thought worth while to abandon the ships entirely because they could be sunk, but, on the contrary, English seamen used those ships made of boards and with them defeated the Spanish Armada.

If this doctrine was really carried out to its logical conclusion we ought not to have any soldiers, because soldiers are made of "penetrable stuff." It seems to me, Mr. President, that it is hardly worth while to press such an argument as that. Indeed, I think the whole question of the merits of different kinds of armor is rather beside the point. I think we may assume that if we mean to have a proper naval defense of the United States we must have ships armored with the best armor in order to meet, if necessity should arise, the fleets of other countries.

The one point to which I desire to address myself, and the one point in which I am profoundly interested, is in having more ships built as rapidly as possible for the American Navy.

Mr. President, under the lead of the Senators from South Carolina and New Hampshire we have been engaged for some time in curbing the armor-plate monopoly. We have been at it for three years, and we have now an opportunity to estimate the net results. The results, as I see them, are as follows: We have fixed the price of armor at \$300, and obtained none. We have come in with this bill at the end of three years, and those Senators themselves propose now to buy armor for three ships at \$545. We have stopped the building of the American Navy for three years, which is a heavy price to pay, as it seems to me, for anything, and which is the chief result of these efforts to curb monopoly.

Mr. TILLMAN. Mr. President—

Mr. LODGE. Now, Mr. President, I should like to go on with my argument, and when I am through if the Senator from South Carolina desires to ask me a question he may.

The PRESIDENT pro tempore. The Senator from Massachusetts declines to yield.

Mr. TILLMAN. That is rather strange, but of course I will have to submit.

Mr. LODGE. Interruption is not a right.

Mr. TILLMAN. I did not say it was a right.

Mr. LODGE. The Senator from South Carolina occupied the floor the other day pretty much the whole day. I did not interrupt him once. Now I should like to be allowed to make my argument, poor as it may be, but such as it is I should be glad to make it, and then I shall be most happy to answer any and all questions to the best of my ability that the Senator from South Carolina or any other Senator desires to ask me. I do not mean to misstate anything, and I am trying to make the argument as it occurs to me, fairly and justly.

It seems to me that this is where we have come after these three years of experiment. I have no desire to pay to these monopolies the extortionate prices which I know they have succeeded in getting in the past. I not only think that they have overcharged us for armor in the past, but I also know that one of them sold bad armor to the Government, than which there can be no greater crime.

But, Mr. President, I do not want to stop the building of ships for any longer period. In the amendment of the Senator from South Carolina it is admitted that we ought to go on and finish, even at the high price of \$545, three of the battle ships. In that he

agrees with the committee. My objection to the rest of his amendment is that it will stop the building of ships for two or three years at least, and that it is doubtful whether we shall be better off then than we are now, whereas under the committee amendment, as I understand it, we have an opportunity to go ahead and build the rest of the ships authorized as rapidly as possible at a reasonable price for armor.

I have no prejudice against a Government armor plant. I am not at all sure that it might not have been wise to have started such an armor plant at the very beginning of things. We have navy-yards in which we never build a ship, for the simple reason that it takes twice as long and costs twice as much as to build them in private establishments under contract; but I cordially admit, as the Senator from New Hampshire said, that the existence of those navy-yards prevents the Government from being at the mercy of private yards and from being compelled to pay more than the ships are genuinely worth, although in the yards themselves it would cost such a high price to build them.

I am not sure that an armor plant might not have by its existence a good effect, but to stop the building of all ships until we enter on this experiment of a Government armor plant seems to me a very fatal mistake, because it makes another long delay, and I do not think we can afford to delay further in the building of ships.

The one object which I desire to attain is to build up the United States Navy as rapidly and as efficiently as possible. Under the amendment of the committee I think we are certain to reach that result. The price offered for armor in that amendment is a reasonable and fair price in the opinion of the committee. If we can get armor, and get it now, from any source, let us get it. But the amendment offered by the Senator from South Carolina does not allow us to get armor anywhere until the plant is completed. It absolutely stops the building of ships, and no one knows for how long a time. One Senator, the Senator from New Hampshire I think, said it would stop shipbuilding only for a year in order to get an armor plant complete and in working order. I am not sufficiently an expert in such matters to say whether that is correct or not. But the opinion of experts generally differs very widely from that, and I should think, on the chances, it was much more likely to be three years than one before any new plant could be turning out armor in sufficient quantities.

Now, my reason, Mr. President, for desiring more ships and for desiring more ships quickly is because I think the safety of the United States rests upon its naval strength. It is not on account of our new possessions that I am led to urge this; far from it. I do not think a single one of the new possessions we have adds to or diminishes the need of a powerful navy. No trouble is likely to come to us from any of those sources, in my judgment. If that were all, I should keep silent on this subject.

The danger to the United States lies where it has always lain, in its own coasts and in the interests which it must always protect in this hemisphere. We have the largest coast line of any nation in the world and one of the smallest fleets. Our Atlantic coast is studded from New Orleans to the extreme boundary of Maine with cities, large and small. The whole of that great Atlantic coast must be defended, and we have no adequate fleet.

I want, Mr. President, very briefly to show how we stand in comparison with the fleets of the world in this respect. Taking simply the ships of the fighting line—for it is on that that naval strength rests—at the present time Great Britain has 53 battle ships, France 31, Russia 12, Germany 18, Italy 15, Japan 3, and the United States 5. Of armored cruisers Great Britain has 17, France 8, Russia 10, Germany 3, Italy 3, Japan 3, and the United States 2.

That, however, is not so important to the present argument as the programme of the nations. Under the programme of future construction Great Britain has 17 battle ships and 14 armored cruisers building, France 4 battle ships and 12 armored cruisers, Russia 12 battle ships and 2 armored cruisers, Germany 7 battle ships and 2 armored cruisers, Italy 4 battle ships and 4 armored cruisers, Japan 4 battle ships and 4 armored cruisers. For the United States, 11 battle ships and 3 armored cruisers. That is, that force has been authorized and will be in course of construction if we give proper authority for the armor. I shall ask leave to print this table and also another table which I have here in the RECORD, but which I will not read.

Country.	Battle ships at present time.	Armored cruisers.	Programme of future construction.	
			Battle ships.	Armored cruisers.
Great Britain	53	17	17	14
France	31	8	4	12
Russia	12	10	12	2
Germany	18	3	7	2
Italy	15	3	4	4
Japan	3	3	4	4
United States	5	2	11	3

[From the New York Sun.]

SIXTY MILLIONS FOR THE NAVY.

The report of the Naval Committee of the House of Representatives, made on Thursday, calls for not less than \$61,219,916. No one who has studied intelligently the needs of our Navy, together with the calls made and to be made upon it, and the tendencies of the time, will say that this appropriation, large though it be, is too large, or beyond what is necessary.

The report recommends the construction of 2 battle ships, 3 armored cruisers, and 3 protected cruisers. This is an enlargement of the construction programme suggested originally by the Secretary of the Navy. The change made in the Secretary's programme is wholly in the line of the teachings of our own and other recent wars, and recognizes particularly the importance of battle ships in comparison with other naval war vessels. Credit must be given to the committee for disregarding the limit which the Secretary had at first deemed it advisable to place on his requirements.

The position of the United States among the larger naval powers of the world is not fixed yet. Unless constant renewals are made to the Navy, that position will be in the future even less certain than now. In naval as well as in all other matters, life means reconstruction, and existence means continual change.

A parliamentary return of the navies of the powers, made early this year and showing the strength of each power on January 1, placed this country in a much lower grade than our national pride will enjoy. The order of the powers, from a naval point of view, was given thus: Great Britain, France, Russia, Germany, Italy, the United States, and Japan. The order is not flattering to us; but in view of the fact that Great Britain is disposed to look to us rather than any other power for assistance in time of need, the return will have to be accepted as correct.

The details of that return show that the fleet in being of each of the seven powers was composed as follows, as regards seven classes of war vessels:

Country.	Battle ships.	Armored cruisers.	Protected cruisers.	Unprotected cruisers.	Armored coast-defense vessels.	Torpedo-boat destroyers.	Torpedo boats.
Great Britain	53	17	107	15	13	75	95
France	31	8	36	14	14	2	219
Russia	12	10	3	3	15	1	174
Germany	18	3	13	21	11	1	113
Italy	15	3	15	1	—	—	144
United States	5	2	14	6	19	1	16
Japan	3	3	14	9	4	8	29

A brief consideration of this table will show that we are not clearly entitled to a better place than seventh among the powers, so far as efficient vessels of the fighting navy are concerned. In view of our increased interests in the Pacific, the position of Japan is both interesting and important. It will be noticed that that country, the New England of Asia, has three battle ships to our five, three armored cruisers to our two, as many protected cruisers as we have, nine unprotected cruisers where we have six, and many more destroyers and torpedo boats than we have. It may furthermore be noted, though the fact does not appear in this table, that Japan's naval vessels are all in the Pacific, while ours are scattered in two oceans.

Coming now to the programmes of the powers, the following table demands study:

Country.	Battle ships.	Armored cruisers.	Protected cruisers.	Armored coast-defense vessels.	Torpedo-boat destroyers.	Torpedo boats.
Great Britain	17	14	9	—	33	—
France	4	12	4	—	10	47
Russia	12	2	8	1	35	6
Germany	7	2	4	—	9	—
Italy	4	4	3	—	11	10
United States	11	3	7	4	19	14
Japan	4	4	2	—	4	29

Of the 11 battle ships building for the United States, only three are near to completion, but even with them, though we improve our lead over Japan, we shall not alter our position with regard to the other naval powers. Even with the vessels described above as building added to those shown in the first table, we should be behind all the powers except Japan in battleships, behind even Japan in armored cruisers, third in protected cruisers, behind Japan in unprotected cruisers, third in torpedo-boat destroyers, and last by many points in torpedo boats.

The Naval Committee of the House appears to have acted with circumspection in enlarging the programme of construction, and their schedule demands careful and responsible thought before it is altered in any respect that might weaken it.

Now, Mr. President, these figures show very clearly the comparative relation of the United States to other powers in naval strength. They prove the utter inadequacy of our fleet.

In the first place, as I have already said, we must defend our own coasts. In the second place, we are about to undertake the construction of an isthmian canal. Whether it is well to fortify a canal or whether it is better to leave it unfortified, as the military and naval experts generally agree, it is not necessary for me to discuss. To control that canal, to defend it, to hold it open for our commerce and the commerce of the world, even against an enemy's fleet, we must be the masters of the Caribbean Sea. For that purpose alone we must have a far more powerful fleet than we have to-day, because the safety of the canal will rest upon the American fleet.

Now, everyone is agreed that that canal ought to be built, and the time is very near, in my judgment, when the work will be undertaken. If we are to be responsible for that canal in addition to our own coasts, we must have a fleet proportionately strong.

I hope and believe, Mr. President, that we shall have no wars with anyone, but the surest guaranty that we shall have no wars will lie in the possession of a fleet which no one would wish to attack. It is the greatest insurance for the peace of the country, for the protection of our coasts, and for the maintenance of the canal that can be devised.

I say I hope and believe that there will be no wars with anyone. But we should be foolish indeed if we closed our eyes to the possibilities of the situation. We could never allow, Mr. President, those Danish islands, for example, to pass into any hands other than those of their present possessors except our own. The nation of Europe which dares to take possession of those islands and hold them, right there on the road to the canal, and make of them great naval stations and places of arms would be by that very act the enemy of the United States. It would be impossible for us to submit to any such thing as that. Such an act by any European power would mean war.

The Monroe doctrine is the greatest protection of the United States. To that doctrine we all, without distinction of party, adhere. I am by no means convinced that some European power, perhaps one of those whose navy is just now receiving such a rapid increase, may want to test that doctrine and that we may find ourselves called upon to protect Brazil or some other South American State from invasion, and to see to it that no new European state is established in the continent to the south.

I am not conjuring up imaginary dangers. I think that they exist and are very real. I trust that they will never find actual result in war. But I am sure that the way to prevent any such test of the Monroe doctrine, the way to prevent peaceably the seizure of any part of the South American continent or of the West Indian Islands by any European power, is to have an American navy which no power in the world can afford to disregard.

I think too much time has been lost in the construction of our Navy. The Congress of the United States has made large and liberal authorizations of ships, and the people of the United States have said "amen" to every authorization that has been made and want those authorizations continued. There are no people in this country, so far as I know, North or South, East or West, Democrats or Republicans, who do not believe in constructing a navy powerful enough for the absolute defense of our coasts and for the maintenance of the Monroe doctrine. It is the one question of all others upon which I believe all Americans are agreed, for they all know that upon the Navy more than upon any other one thing rest the peace and the security of the country.

It is for these reasons, Mr. President, that I feel so deeply the necessity of avoiding anything in the way of delay in building battle ships. I do not want to pay these companies one dollar more of their extortionate profits; but I do want the Department to be enabled to go on and get armor, and to go on and build ships, even if we are building an armor plant at the same time. If \$445 a ton is, as the committee says, a fair price, let the Secretary have the power to-morrow, as soon as the bill passes, to go on with the construction of the ships authorized by Congress.

If trouble should come, if the Monroe doctrine should be attacked, if our coasts should be in danger, we should find it but cold comfort, when we were short of ships, when our fleets were overmatched and our coasts assailed, to say, "Well, at least we have curbed an egregious monopoly and saved ourselves from extortionate prices."

It is better to be forehanded in such things as these; it is better to take the path which will lead us to the immediate construction of the navy which the United States demands. We can do that under the amendment of the committee; we can do it without paying an unreasonable price for armor. Under the amendment of the committee we have the opportunity to get armor anywhere if a reasonable price will be accepted; and if it is not, we will build our own plant.

Therefore, Mr. President, I sincerely trust that nothing will be done to arrest the building of the ships. The amendment offered against that of the committee is merely to build an armor plant; it will stop absolutely the building of all ships while that armor plant is in process of construction; it gives the Secretary of the Navy no authority to buy armor anywhere else, even if he can get it at a fair price; nothing is to be done or can be done except to finish the three ships.

That, Mr. President, seems to me a very great mistake. You can not improvise a navy; you can not build ships in two or three months. Your war has come and gone; your danger has been encountered; your losses have been suffered long before you could build even one ship. Now is the time to go on as rapidly as possible in the construction; and if it is desirable to add an armor plant to our navy-yards, that is a question which we can settle at any moment. The one thing now is to adopt the amendment

which offers us the fairest chance of getting as soon as possible armor for the ships which Congress has authorized.

Now, I shall be most happy to answer any question the Senator from South Carolina desires to ask.

Mr. TILLMAN. Will the Senator from Massachusetts point out wherein in my amendment the Navy Department is forbidden to buy armor? He has entirely misstated the purpose of the amendment.

Mr. LODGE. I have not misstated it. You fix the price at \$300 a long ton; and we know that armor can not be bought at that figure, and that no human being can make it for that.

Mr. TILLMAN. The committee fix the price at \$445 a ton; and the armor factories almost swear that they will not make it for less than \$545 a ton. Where, then, are we to meet?

Mr. LODGE. The committee has fixed it at \$445, which they say is a reasonable price, and which they believe will be accepted by the armor companies.

Mr. TILLMAN. What right has the committee to say that?

Mr. LODGE. And we know that \$300 a ton, which is the price fixed by the amendment of the Senator from South Carolina, can not be accepted, and that armor can not be made at that price. Therefore I am justified in saying that the adoption of the amendment of the Senator would amount to stopping the building of ships.

Mr. TILLMAN. Will the Senator point out to us what is the present condition as to the completion of the ships which are needing armor? I will inform the Senator that, according to the best of my information, the shipbuilders are away behind now with their contracts; that there will be no immediate need for armor, and that by the time we need any more armor the factory which we propose to build will be ready. So if those factories will not compete with the Government factory in building armor at \$300 a ton, the Government factory can furnish the Government its own armor. The Senator and his friends propose to continue contracts with these armor companies so that the Government will still be at their mercy, whereas if we build a factory we will be in a condition to enforce reasonable prices for armor, while we would continue to be as helpless under his scheme as we are to-day.

Mr. LODGE. We have three ships ready for armor that are provided for in the bill and in an amendment we have already passed, and the provision in the last act was that no contract should be let for the hulls of any new ships until the armor could be contracted for. So the amendment of the Senator stops the building even of the hulls of any of the armored ships. There is absolutely a dead stop.

Mr. TILLMAN. The Senator will remember that the other afternoon, when I proposed this amendment, I struck that particular provision out, so that the contracts could be immediately authorized. I wanted the making of the armor and the building of the ships to go on *pari passu*, so that we would be able when the ships needed armor to furnish it at our factory rather than to be at the mercy of this trust. That is the condition.

I am not in favor of curtailing the building of the Navy. I want a big navy as much as the Senator from Massachusetts does. I believe it is necessary to the welfare of this country that we should have a navy of sufficient size and strength to compete with even England in warfare, though we may have to spend a hundred or two or three hundred million dollars more.

I will state that the Danish Islands scare has no terror for any man who is informed on the subject. We know that our Navy is superior to that of Germany.

Mr. LODGE. Mr. President, the Germans have now 18 battle ships; they have authorized 18 more battle ships; and the Emperor has shortened the time, so that those ships shall be completed in 1908. By that time they will have 36 battle ships.

As to the Danish Islands scare, I do not myself believe any nation is going to take them. I think they know too much for that. If they do not, they can be taught. But if the Senator thinks that there is no danger of an infringement of the Monroe doctrine in Brazil or in some other of those South American Republics, he differs very widely from the conclusions which I have formed from a pretty careful study of the subject.

Mr. TILLMAN. I do not say there is not more or less danger; but I want to say that in a decent and proper manner I want this Government to build all the ships it needs, and I want it to get its ships at a reasonable price and to get its armor at a reasonable price. I do not want to be longer at the mercy of this trust. Upon 35,000 tons of armor, undoubtedly, according to their price, they will have profit enough to build two armor factories or two battle ships.

The Senator wants to prevent us from building an armor factory in order to keep us at the mercy of the trust, and I want a Government armor factory so that if the trust will not furnish us armor at \$300 a ton we will have a factory of our own and will be independent of them. That is the difference between the Senator's position and mine.

Mr. LODGE. We can not go on with the building of the hulls under the provision which the Senator himself put into the last bill; we can not build a single hull until we have got the armor contracted for.

Mr. TILLMAN. Mr. President—

Mr. CHANDLER. The Senator will allow me a word.

Mr. TILLMAN. Just a word, and then I will yield. I expressly stated that the last clause, prohibiting the contract for hulls, should be stricken out if the provision preceding it was adopted.

Mr. CHANDLER. I only want to call attention to the fact, which the Senator from South Carolina has so emphatically stated, that the amendment which he advocates, and which I advocate, proposes to remove the limitations to which the Senator from Massachusetts has alluded. We propose that the authority given to the Secretary of the Navy as to the prohibition against the construction of hulls of the ships, now imposed upon the Secretary of the Navy unless the armor contracts shall be made, shall be removed, and that the Secretary shall have the right to go on and build the hulls of the ships authorized last year and of the ships to be authorized in this bill. We believe that when the armor is needed it will be ready, coming from a Government plant, with the exception of the armor for the *Ohio*, the *Missouri*, and the *Maine*.

Mr. President, that is the plain proposition before the Senate, and it should not be misunderstood. The armor factories will be out of work this fall.

Mr. TILLMAN. They will be out of work in the coming June.

Mr. CHANDLER. They will be out of work in June; and it will take them a year to prepare armor for the three ships for which we are going to pay them \$545 a ton, and very soon after the end of that year, if we begin in June of this year, we can have an armor plant ready to make the armor for the ships provided for in last year's bill and in this year's bill.

Mr. LODGE. Before the Senator from New Hampshire sits down, I should like to ask him a question in that connection. He says it will take a year for the present armor plants—that is, the Bethlehem and the Carnegie plants—to supply the armor for the three battle ships. How long will it take the Government armor plant, after it is built, to give us the armor for all of the ships we have authorized? On that basis it will take, I suppose, ten or twelve years.

Mr. CHANDLER. We can make just as much as we see fit to make, and we can make a plant as large as we see fit to make it. It is possible the two present concerns, the Bethlehem Company and the Carnegie Company, can increase their product. I speak of the product as they have been making it. In the ordinary course of the operations of those plants it will take them about a year in which to prepare the armor for these three battle ships. We shall have five or six more battle ships provided for, and we can get armor from our own plant, in my belief, in ampler season.

Mr. BACON. Mr. President, this is a very plain business proposition from my standpoint, and I think we ought to consider it as we would any business proposition, without regard to any partiality or any prejudice or preconceived views. It is extremely important in every discussion to keep clearly in view what is the precise point at issue. Now, I respectfully submit that the Senator from Massachusetts [Mr. LODGE] does not keep in view the precise point in issue, but that he diverts the attention of the Senate from that point and endeavors to base the decision of this question upon that which is not really the point upon which it should turn. It is not the question whether or not we need a navy; it is not the question whether we intend to have a navy; it is not the question whether we intend to delay the procurement of a navy; but the proposition which I favor and which I understand to be favored by the Senator from South Carolina [Mr. TILLMAN] and the Senator from New Hampshire [Mr. CHANDLER] is looking to the immediate proceeding on the line of armoring ships as rapidly as they can be built, and at the same time making provision for the future which will avoid the impositions which we have been compelled to submit to in the past.

I have no doubt that it is, as stated by the Senator from Massachusetts and as concurred in by the Senator from South Carolina, the desire of the American people that we should proceed steadily to the construction of a navy very much larger than that which we have heretofore contemplated. The tendency of the times makes that absolutely necessary for our self-protection.

The very broadest of farces, in my opinion, of recent date, was The Hague conference. According to its announced purpose the intention was that as a result of its work all future national disputes were to be settled by peaceful conferences and mediation between the nations. But immediately upon the adjournment of that conference, holding out the promise of a settlement of every dispute by mediation, we have an utter disregard and rejection of the efforts at mediation by one of those principal powers engaged in that conference, and the direct announced intention to destroy two small republics with which it is at war. And in accordance with that spirit, as shown by statistics as read by the Senator from Massachusetts this morning, all the balance of the world seem to

be preparing to arm themselves to ravage the coasts and to despoil and subject to their dominion the lands of other peoples; and we must be prepared to meet all aggressions.

So that in contending that the Government of the United States should proceed to the erection of an armor plant there is no disposition and no intention to interfere with the proper construction of a proper navy with all possible speed. Therefore, as I understand, the proposition is that so far as any present necessities are concerned, if the Secretary of the Navy can not do better, he shall accede to the exorbitant demands of these factories and shall procure the armor necessary for the armoring of the only three vessels which are now in any immediate or near need of such armor.

Mr. TILLMAN. Right there, if the Senator will permit me, I will give the dates when the Bureau of Construction heretofore estimated that these three battle ships for which we are providing will be completed. The *Maine* will be probably done by June, 1901; that is over a year from now. The *Missouri* is estimated to be completed in February, 1902, and the *Ohio* March 5, 1902; but with our experience in regard to the *Kentucky*, the *Kearsarge*, the *Illinois*, the *Alabama*, and the *Wisconsin*, we know that each one of these contracts is a year or more behind the dates at which these people contracted to finish the vessels. Now, there is no pressing life and death emergency here for preparing for armor that can not be provided for in a Government armor factory.

Mr. President, every time that this armor question comes up, and every time it has come up for the past five years, we have to travel over exactly the same ground that we are traveling to-day. A reference to the CONGRESSIONAL RECORD will show that this debate is in its main features a repetition of the debate which we have had here for five consecutive years. The proposition has been this, and it is the same to-day, that these armor plants do not deal fairly by the United States Government; that they are exorbitant in the prices which they charge, and that they have been detected in the past in endeavoring to put off upon us defective armor. From that it has been argued that the proper course to pursue is to build an armor plant by the United States Government. On the other hand, the answer during each of these five years has been the same as it is to-day.

These facts are admitted every time, and yet each time the reply is, "We need armor now; let us pay the price which they demand and settle the question hereafter as to whether we shall build an armor plant;" and each time these armor factories have forced the payment of these exorbitant prices, and so soon as that has been accomplished the question of the building of an armor plant subsides, and it is heard no more until the next time comes for the procurement of armor, and then the same argument and the same action by Congress are again repeated.

Mr. TILLMAN. With the permission of the Senator, I will call his attention to the fact that we are laying up battle ships and putting them out of commission, and yet the claim that we should hurry up and furnish armor for the three ships under construction is used as an argument to force us to pay an exorbitant price and against building our own armor factory and thereby getting a release from this monopoly.

To resume, as I say, this is the argument presented to-day. These are the two propositions. On the one side it is contended that the Government is fleeced, and it is conceded and not denied by anybody that the Government is fleeced; and on the other side the answer is, "We need this armor; let us pay their price and settle the question of an armor plant hereafter."

Mr. President, this is the fifth or sixth time that that exact ground has been gone over in the Senate, and I say, so far as I am able to judge, the time has come when we should settle both questions, and not simply one of the questions.

Mr. President, upon what do I base this statement that it is conceded that the Government is fleeced by these armor plants? I read from a debate which occurred in the Senate on Wednesday last. I read from page 5312 of Wednesday's CONGRESSIONAL RECORD. The Senator from Nevada [Mr. STEWART] asked the chairman of the Committee on Naval Affairs, the Senator from Maine [Mr. HALE], this question:

Mr. STEWART. Will the Senator allow me to ask him a question?

Mr. HALE. Yes.

Mr. STEWART. I should like to know if the Senator is of the opinion that these corporations—

I hope Senators will listen to this question and the answer to it.

Mr. STEWART. I should like to know if the Senator is of the opinion that these corporations have really taken advantage of the necessity of the Government to charge unreasonable prices?

Mr. HALE. I think they have. There is no doubt about it. I have no doubt about it.

The Senator from Maine, the chairman of this committee, than whom there is no one—

Mr. HALE. Does the Senator want me to make it stronger than that?

Mr. BACON. I hope the Senator will let me read the colloquy through before interrupting, if it will suit his purpose as well.

Mr. HALE. Very well; go on.

Mr. BACON. The Senator from Maine, than whom, I say, there is no one better qualified to judge, because he has been through an extensive investigation of this matter, not only said, in answer to the inquiry, that he believed these corporations had taken advantage of the necessity of the Government, but he emphasized it in the same answer twice by saying:

There is no doubt about it. I have no doubt about it.

Mr. STEWART. Then I would make a great sacrifice.

Mr. HALE. That has been brought out by the investigation.

Mr. President, if the Senator will pardon me just another moment, in the same colloquy this occurred:

Mr. STEWART. The Government made contracts with them?

Mr. HALE. Certainly; and it was done at the suggestion of the Government; there is no doubt about that; and as soon as they got on their feet and understood their power and made their combination, they began to put the knife to us.

That is the language of the Senator from Maine.

Now I will yield to the Senator.

Mr. HALE. Mr. President, would the Senator from Georgia have liked me to have put it stronger than that?

Mr. BACON. I do not think the Senator could have put it stronger than that.

Mr. HALE. What is the Senator complaining of, then?

Mr. BACON. I was not complaining of anything.

Mr. HALE. Did I not put it strong enough?

Mr. BACON. I am not complaining. The Senator did not possibly hear what led up to my introduction of this matter.

Mr. HALE. I was thinking that the Senator was reading that I had stated a proposition which nobody in the Senate has been found to contradict.

Mr. BACON. I am very glad to have the Senator repeat it.

Mr. HALE. The armor manufacturers, the moment they got onto their feet, proceeded to put the knife into the Government.

Mr. TILLMAN. And the Senator wants, then, to keep the knife in and turn it around.

Mr. HALE. I hope the Senator will wait a moment. The basis of the committee's action was to prevent the fleecing of the Government.

Mr. BACON. I hope the Senator will not divert me from what I was about to say. The Senator did not hear the connection in which I read this colloquy.

Mr. HALE. Oh, yes; I have been listening to every word the Senator said.

Mr. BACON. Very well. The Senator in that case asked a question which I can not understand, and that was, the Senator asked if I thought he had not stated it strong enough. I was stating what the Senator had said as proof of the assertion I made, which was that these factories had fleeced the Government, and I gave him as authority.

Mr. HALE. Now, I say that is the very basis of the committee's action. We propose to hold these people who have been abusing the Government in the past to a reasonable price, and if they do not accept that reasonable price, we will build an armor plant.

Mr. TILLMAN. Then what becomes of your increase of the Navy?

Mr. HALE. We will get an increase of the Navy out of it.

Mr. SPOONER. Will the Senator allow me to ask him a question?

Mr. BACON. I am perfectly willing for the Senator to ask me any question which is in the line of what I am saying; but I do think, unless the question does relate to that, I ought to be allowed to proceed. I will not object to any question upon the line of what I am now submitting to the Senate.

Mr. SPOONER. I was simply going to ask the Senator from Maine if he proposes to leave this legislative threat in order to keep the knife from the Government every year?

Mr. HALE. I do not think there will be any necessity for it hereafter. I think the committee's amendment will be a solution of the whole business, and that it will pass from consideration. I think the merit, and all the merit, that there is in the committee amendment is that it will end this matter.

Mr. BACON. Mr. President, I was proceeding to say when interrupted by the Senator from Maine, that it was a conceded fact that these factories have fleeced the Government. I say that that comes in the strongest language for which the dictionary affords words from the Senator from Maine, the chairman of the committee, and there is no Senator on this floor who rises up to take issue with him or to deny it. Consequently I say that it stands here an admitted fact, a conceded fact, an undeniable fact, that these factories have not only once, but time and again, fleeced the Government, and when they ascertained their power through this combination, they proceeded, in the graphic language of the Senator from Maine, "to put the knife into us."

Mr. PENROSE. Mr. President—

Mr. BACON. If the Senator will pardon me for just a moment, I will then yield to him.

Not only that, but the Senator from Massachusetts this morning stated another fact, which is a conceded fact and an undeniable

fact, that these armor companies have been putting the knife into us; that they have been taking this advantage of the Government, and they have at the same time furnished defective and inferior armor to the Government which would have been a delusion and a snare to any ship upon which it was put, and would have subjected it to destruction in case it was struck by any modern projectile.

Now I will yield to the Senator from Pennsylvania [Mr. PENROSE].

Mr. CHANDLER. I wish the Senator would first allow me a word.

Mr. PENROSE. Certainly.

Mr. CHANDLER. I wish the Senator from Georgia would do justice by the Bethlehem Company, for I know he would not do injustice intentionally to anyone. The only defective armor furnished the Government has been the Carnegie armor.

Mr. BACON. Very well.

Mr. CHANDLER. There is nothing in the history of the Bethlehem Company on which to make such a charge; but the charge against the Carnegie Company is based upon an investigation, and was a just one. There is, however, nothing that justifies such an accusation against the Bethlehem Company.

Mr. BACON. I am glad the Senator makes the statement. I did not know the fact. I will then limit the charge to one company. I will not do any injustice, of course.

Mr. PENROSE. The Senator from Georgia [Mr. BACON] has seen fit to make a great many reckless charges and accusations, and has declared that no Senator is ready to meet the challenge and deny the truth of the charges. I simply wish to interject in the proceedings at this time that I shall be prepared to go on in a few moments to deny many of the reckless and groundless charges which the Senator has seen fit to make against honorable men and large and honorably conducted business establishments.

Mr. GALLINGER. Mr. President—

Mr. BACON. The Senator from New Hampshire will pardon me until I reply to the Senator from Pennsylvania [Mr. PENROSE].

I have not stated anything of my own knowledge. I have made the statement that these plants have fleeced the Government, and as my authority for it I had not only given the name of the Senator from Maine [Mr. HALE], the chairman of the Committee on Naval Affairs, but I had read the language which he used in this Senate two days ago, in which he made the statement. It is upon his authority I make the charge, and he now repeats the statement, and says if there is any stronger language he can use he will use it.

Mr. HALE. There are a great many statements that the Senator makes to which I do not agree in detail and which I presume the Senator from Pennsylvania will answer. Mine was only a general statement that these concerns, as soon as they got control, combined and took advantage of the Government; but in the particular statements about armor and about putting bad armor on the Government and all that I do not agree with the Senator.

Mr. BACON. I gave as my authority for that the Senator from Massachusetts. I do not know anything about either statement. I gave the Senator from Maine as the authority for one statement and the Senator from Massachusetts as the authority for the other.

Mr. PENROSE. I think the Senator from Georgia is absolutely correct when he states that none of the statements is of his personal knowledge.

Mr. BACON. That is true. I have no personal knowledge of the matter, and I have given my authority in each instance; and if the Senator has any criticism to make it will not be upon me, but upon the Senators who upon this floor have made the statements which I have quoted.

I wish to repeat that all I say on those two branches as to the fact that these plants have taken undue advantage of the Government and that they have, or one of them has, imposed bad armor upon the Government, is said upon the statements and the authority of the Senator from Maine in the one instance and the Senator from Massachusetts in the other, and my knowledge is limited to such statements obtained from them and others to the same effect.

Mr. LODGE. I said that one of the companies—

Mr. BACON. Very well.

Mr. LODGE. Referring to the Carnegie Company, had sold this Government defective armor. That is absolutely true as a matter of public knowledge.

Mr. BACON. Yes.

Mr. LODGE. It was discovered by Government inspectors. The Secretary of the Navy, Mr. Herbert at that time, held that they ought to pay a very heavy fine. I have always thought they ought to have been punished in other ways. Mr. Cleveland compromised the matter with them, reduced the fine. They paid a less sum than demanded by the Secretary of the Navy—I forget what—and that was the end of the matter.

Mr. BACON. I quite agree with the Senator from Massachusetts that it was a mistake to show them any leniency in the matter if the facts showed that the defects were known to them or that they could have ascertained them with reasonable care.

Mr. TELLER. Will the Senator yield to me for just a moment?

Mr. BACON. Certainly.

Mr. TELLER. I will say to the Senator that if he will examine the evidence he will find that the blowholes in the plates had been carefully stopped up, and it could only have been done with the knowledge of the manufacturers.

Mr. TILLMAN. Will the Senator permit me?

Mr. TELLER. They purposely put upon us defective armor, practically worthless armor, which we could not have afforded to put upon a ship if given to us.

Mr. TILLMAN. And the witnesses, and the only witnesses, before the committee who testified to this were the superintendents and the foremen of the Carnegie works.

Mr. BACON. If there has been any injustice done to these very honorable men, of whom the Senator from Pennsylvania speaks, that injustice is done by the Senators who rise here and give the testimony upon which I base my remarks, and not upon my own statements, because, as the Senator from Pennsylvania says, I do not know.

Mr. TELLER. It is not upon our statements.

Mr. BACON. I understand the Senator to give the report.

Mr. TELLER. As the Senator from South Carolina says, it was upon the statement of the employees of this company—

Mr. BACON. The Senator is correct.

Mr. TELLER. Taken by a committee and in print and sworn to.

Mr. BACON. The Senator is correct. I grant the propriety of that correction. I say that this is a business proposition.

Mr. STEWART. Will the Senator allow me? I wish to call his attention—

Mr. BACON. Well, now—

Mr. STEWART. In this connection.

Mr. BACON. Very well; go ahead.

Mr. STEWART. Captain O'Neil says, in the concluding portion of the paper—

Mr. BACON. If it does not relate to this point, I hope the Senator will excuse me.

Mr. STEWART. It does relate to this point.

Mr. BACON. The Senator can put that in in his own time.

Mr. STEWART. I want to call your attention to it. He says:

I have no hesitation in saying that no pains or expense is spared by the present manufacturers to produce the very best article of the kind they have agreed to supply.

Notwithstanding the testimony of the other Senators, here we have the testimony of Admiral O'Neil right to the contrary. What do you say to that?

Mr. BACON. It may be true that they are doing so. It does not controvert the statement made by the Senator from Massachusetts and the report referred to by the Senator from South Carolina that they absolutely put off upon the Government defective armor and that the blowholes had been stopped up so that the Government might not detect the fact.

Mr. STEWART. That did not affect Admiral O'Neil's opinion of them at all.

Mr. BACON. He states that he believes they are doing their best. This occurred some years ago.

Mr. TILLMAN. The same men are running the machine shop.

Mr. BACON. The same men. That is a mere matter of opinion. In the one case it is a matter of opinion that they are doing their best. In the other, it is a matter of direct testimony as to what they did do. In the one case it is the opinion of a man that they are now doing their best. In the other case, it is the testimony of their own employees that they put off defective armor upon the Government and then tried to conceal from the Government knowledge of the fact.

Mr. TILLMAN. Yet the Senator from Pennsylvania says they are honorable men.

Mr. BACON. Why, Mr. President, of course—

So are they all, all honorable men.

I take no issue with the Senator from Pennsylvania upon that subject. But I do take issue with the Senator from Pennsylvania when he says that I make reckless charges. I have made no charge except where I have given my authorities, the authorities present in the Chamber.

Mr. President, I say this is a business proposition. We are dealing with a very high trust. We are dealing with the grave interests of the people of the United States. We are dealing with interests that amount not to millions of dollars, but to tens of millions of dollars. We are dealing with interests which are to be sacrificed in the future as they have in the past if we do not take proper precautions to guard against it.

Now, I ask as a plain business proposition any Senator here if he had a private enterprise in which a certain man was the only

one he could look to to furnish him with a certain product necessary for his enterprise, and if he had the conceded fact presented to him that that man had dealt unfairly with him; that he had taken advantage of him; that he had extorted from him; that he had put upon him defective product, and the Senator engaged in that enterprise had the opportunity and the ability himself to erect a factory where he could make this product and not be dependent upon the man who he knew had extorted from him, who he knew had put upon him a defective product, would he take advantage of his opportunity in the management of his own affairs as a wise and prudent man and himself provide for the making of that product, or would he continue to allow himself to be within the power of the man who he knew had defrauded him and who he knew, judging by the past, would take advantage of him in the future?

I probably used too strong a word when I said "defrauded." While there may be difference of opinion upon that, I will say that I used that word only in the sense of describing the transaction which had been stated by the Senator from Maine, that they have taken undue advantage of the Government and had put the knife into it—nothing more, nothing less; not that they have committed any crime known to the law, but that they have taken undue advantage of the Government in that particular.

The Senator from Maine in giving his objection to the provision for the construction of an armor plant said that he did not favor paternalism; that he belonged to a different school; and that statement coming from the Senator from Maine is very well calculated to deter Senators who are themselves opposed to paternalism from giving their support to this proposition. But there can be no paternalism in the erection of an armor plant for the purpose of supplying armor for the uses of the Government. That is not paternalism.

Mr. SCOTT. Will the Senator allow me to interrupt him for a moment to ask a question?

Mr. BACON. If the Senator will direct it right to this point.

Mr. SCOTT. I want to ask the Senator whether he has ever had any experience in manufacturing?

Mr. BACON. I will defer that until a little later. That is not the point I am on.

Mr. SCOTT. I thought the Senator was discussing the possibility or the probability of building an armor plant. Does not the Senator know that the experimental stage of any manufacturing industry in this country will perhaps cost the Government greater loss in the first six or eight years than could possibly be lost in getting defective armor?

Mr. BACON. I was discussing the question of paternalism. If the Senator from West Virginia will direct me a question on paternalism I will answer it, but I do not think I am lacking in courtesy in insisting that unless the question is on that point I shall proceed with my argument.

Mr. HALE. Paternalism is for the Government to go ahead and do everything.

Mr. BACON. If the Senator will pardon me, I should like to make my statement first, and then I shall be glad to submit to any question the Senator desires to propound.

Mr. HALE. I have made my statement.

Mr. BACON. When I was interrupted by the Senator from West Virginia, I was proceeding to say that paternalism could not be said to be found in the Government making armor for its own use. If the Government undertakes to run an enterprise of any kind for the benefit of its citizens, that is paternalism. The Post-Office Department, if you please, is one form of paternalism. If in a city the city owns the waterworks which are to be used for the benefit of the people, that is paternalism. But for the Government to make its own guns is not paternalism, because it is not the father acting for the children. That is where the term "paternalism" comes from. It is not the father supplying the needs of the children. It is the parent doing his own work. The parent doing his own work is not paternalism.

The making of guns, as I said, by the Government for its own use is not paternalism. If the Government saw fit to build its own ships, it would not be paternalism. If it sees proper to make armor for its own ships, it is not paternalism. If it built ships for the people and used these ships for the private commerce of the people, that would be paternalism, or if it provided any of the equipment needed for ships in private commerce, that would be paternalism. But what the Government does for itself, to supply its own needs, can not under any definition of paternalism be said to be paternalism.

Now, if the Senator from Maine desires on that point to ask me a question, I will yield. I asked him to let me complete my statement before he asked his question.

Mr. HALE. I do not know that it would boot very much to the Senator or to me—

Mr. BACON. That is a mere side issue anyhow.

Mr. HALE. Yes. I do not know that it would boot very much to the Senator or to me to discuss paternalism as it is generally understood. Some of us believe that the less the Government has

to do with any of these business enterprises the better; that it is better that ships should be built by private establishments in competition rather than by the Government. We believe that railroads and telegraphs—

Mr. BACON. Oh, yes; that would be paternalism. I quite agree with the Senator.

Mr. HALE. We believe that railroads and telegraphs should be private.

Mr. BACON. I quite agree with the Senator.

Mr. HALE. We believe that in matters connected with the Government's wants—its great needs, ships and armor and everything of that kind—it is better that private enterprise shall be invoked to do it rather than the Government. The less patronage the Government has, the better; the less workmen it has, the better; the less clerks it has, the better; the less paraphernalia it has, the better; the less of everything that goes to swell and expand it, the better for the people. That is anti-paternalism.

Mr. BACON. As a general proposition, I am inclined to agree with the Senator, except so far as he may class as paternalism the work the Government does for itself. That is not paternalism. So far as railroads and telegraphs and all such enterprises are concerned, I am thoroughly in accord with the Senator, and I am not proposing to take issue with him on the general proposition as to the advantage of the Government having its work done by private contract where it can be done safely, advantageously, and without too much sacrifice. But when it is shown that it can not be done; when it is shown that the Government is absolutely in the power of the manufacturer; when it is shown that that manufacturer has no competition, and that there can be no competition, and that he, as the Senator from Maine says, takes advantage of that fact to put the knife into the Government, then I say the time has come for the Government to say, "We will not submit to it."

There are one or two suggestions which I still wish to make, and then I shall not trespass further upon the Senate. Of course I recognize that this debate has properly proceeded mainly among the members of the committee, and I do not profess to have any detailed knowledge in reference to the subject. The earnestness of my conviction is possibly due to the fact that I was at one time a member of the Naval Affairs Committee, and had very great pride and pleasure in being a member of it, and took great interest in the business of the committee, and at that time, while I was a member of the committee, it was charged by the Senate with the duty of making a most thorough and exhaustive examination of this very question. We sat day after day and week after week and heard witnesses on both sides, from the highest to the lowest, not only on the side of the Government, but the men engaged in this matter, Mr. Carnegie himself and the representatives of the Bethlehem Works, and others. During that time I became most firmly convinced of the fact that the Government was being charged a most exorbitant price for its armor, and I have never seen occasion to change that opinion.

Mr. President, there is another fact. I do not know whether it has been brought out in this debate or not, for of course I have not been able to be in the Chamber all of the time. I know it was frequently referred to in the former debates in the Senate. As evidence that the charge made by the Senator from Maine is not unfounded, and that it is true that these works have taken advantage of the Government, and that they have put the knife in the Government, I do not think I am in error when I state the fact that it was conceded in that investigation that the prices which the Government had paid for armor up to that time had repaid to the owners of these plants the amounts they had invested in their construction. If I am in error about that I want to be corrected. I do not think I am. It is my distinct recollection that that was a conceded fact.

Mr. PENROSE. I can correct the Senator, if he desires to be corrected.

Mr. BACON. Certainly; if I am wrong, I want to be corrected.

Mr. PENROSE. I have a memorandum here to the effect that it has been stated in the newspapers, and I understand, admitted by the company, that the total profits of the Carnegie Steel Company for the year 1899 were in the neighborhood of \$31,000,000. During that year the company furnished the Navy Department just about 2,000 tons of armor at \$400 a ton, receiving therefor a total amount of \$800,000. No matter what per cent of profit may be contained in this amount of gross receipts, it will be inconsiderable alongside of the total profits to the company for that year. If we assume that the profit on the armor manufactured in that year was even 25 per cent of the receipts, this profit would amount to \$200,000 a year, or less than one eighty-fourth of the whole amount of profit for that year received by the company. The value of plant and working capital engaged in the manufacture of armor is about \$4,000,000, and therefore a profit of 25 per cent on the gross receipts would be only 5 per cent on the capital invested. I should like, also, to call the Senator's attention to the fact that

Admiral O'Neil, I believe, or Secretary Herbert has stated that 50 per cent was not an excessive profit in this business, and I believe the Senator from New Hampshire has also stated, according to my recollection, that 30 per cent is not an excessive profit.

Mr. BACON. The statement which I made and of which I invited correction did not relate to any particular year, but my distinct recollection is that that was a conceded point in the course of the investigation made by the Naval Affairs Committee four years ago, that the owners of these plants had in the profits which they had received upon the work theretofore done been repaid the amount which they had invested in the construction of these plants. If I am in error as to that, of course the Senator from Maine, the Senator from New Hampshire, the Senator from South Carolina, who were all members of the committee at that time, can correct me. Whether it was ever so stated in so many words I do not know.

My recollection is distinct that that was considered the well-ascertained fact, that the profits upon the business of making armor for the United States Government had repaid the owners of these properties the amount of money which they had expended in the construction of the plants.

Mr. CHANDLER. Will the Senator yield to me for a moment?

Mr. BACON. Certainly.

Mr. CHANDLER. I read from Secretary Herbert's report:

Whatever may have been the cost of the armor plant and the gun plant, whatever may have been paid for the secrets of manufacture or for patents, whatever may have been the interest on working capital, all those and other charges were paid from the gross earnings of the company; only net earnings have been considered, and the results show that the company's investments in plant to make armor and gun steel for the Government have been returned with 22 per cent thereon.

Mr. BACON. It has been four years ago or five years since I heard that; I have forgotten which—four years certainly—but the fact lingered in my mind, and I knew I could not be mistaken about it. We have not only repaid that, but have paid 22 per cent profit.

Mr. TILLMAN. There have been twice as many tons of armor made since that time.

Mr. CHANDLER. Will the Senator from Georgia permit me to give the exact reference?

Mr. BACON. Certainly.

Mr. CHANDLER. It is page 34, House Document No. 151, Fifty-fourth Congress, second session, being Secretary Herbert's report.

Mr. BACON. In view of these facts, what is the business proposition?

Mr. PENROSE. Will the Senator permit me to make a statement?

Mr. BACON. Certainly.

Mr. PENROSE. I wish to call the Senator's attention to the fact that in the whole history of the armor-plate business in Pennsylvania the two companies together, the Carnegie Company and the Bethlehem Company, have received between them, approximately, \$19,000,000 in gross receipts, and, assuming that their plant represents \$10,000,000, it is difficult to understand or to see how he would make out that they have been paid in profits the value of their plants.

Mr. BACON. Of course I am not prepared now to go into that question. I simply recall that that was one issue before the committee when I had the honor to be a member of it, and that was the conclusion arrived at.

Mr. CHANDLER. At that time the Bethlehem Company had received from the Government \$15,000,000, but it was not all for armor. That included the manufacture of guns for the Government. Secretary Herbert made the calculation at that time that the profits on the armor or upon the Government work—I am not certain but that he included both—had returned to the company the full value of its armor plant and 22 per cent besides.

Mr. PENROSE. It can be shown that the actual profits of these two companies are hardly more than 6 per cent upon the investment, and if the Senator from Georgia will look at page 21 of Senate Document No. 10, he will see a statement of just what amounts of armor have been ordered, and what prices paid to the Bethlehem Company and the Carnegie Company. I shall not read them now—I do not wish to take the time of the Senate—but I ask him to look at them, and I will ask to have them inserted as a part of my reply to the Senator.

Mr. BACON. I would rather the Senator would insert it in his own remarks than in mine. The Senator wants to have it inserted now?

Mr. PENROSE. Yes.

Mr. BACON. I would rather the Senator would insert it in his own remarks.

Mr. PENROSE. All right.

Mr. BACON. In that connection I wish to say this: I have uniformly said on this floor, and a reference to the RECORD will bear me out, that I thought this plant ought to have not only an ordinary profit, but an extraordinary profit. I have said upon this

floor that as they were dependent very much upon the Government of the United States as the sole customer in the manufacture of armor plate, they ought to have a larger profit than an ordinary manufacturer would have who has other customers; and I have said further that I thought they ought to be allowed twice as much as ordinary plants.

But what has been the trouble? The book of testimony which the Senator from New Hampshire had in his hand will show the fact that the most strenuous effort was made by that committee to ascertain what was the profit that these manufacturers were making, and that the most strenuous effort was made to ascertain what was the cost to them of the armor in order that they might ascertain what was a proper allowance to them in the way of profit. They most pertinaciously and peremptorily and unalterably refused to let the Government of the United States know what it cost them to make the armor. Therefore we are necessarily in the dark as to what is a fair price or an unfair price, so far as that question could be decided by the testimony of these men who best know.

Mr. WELLINGTON. Will the Senator permit me?

Mr. BACON. Certainly.

Mr. WELLINGTON. I have a recollection that at some time in the investigation ordered by the House concerning this matter there was information that armor plate could be made for \$265 a ton; and if that be true and we reckon \$265 a ton as the sum that it cost to make it, and take the mean average that has been paid by the Government to these concerns, I can see how their plants would be paid for even if they only received \$19,000,000.

Mr. BACON. In corroboration of what the Senator from Maryland says, I have read a document, which was printed at the instance of the Senator from Maine, being a reprint of an article which appeared in an English newspaper. I can not give the number of the document, but doubtless the Senator from Maine will recognize it from what I state of it.

Mr. HALE. It is a statement from the London Iron and Coal Trades Review.

Mr. BACON. Yes. In that paper the statement is made that the investigation in this country instituted by one branch or the other of Congress had shown that armor could be made at a cost of \$250 a ton; and doubtless it is to that investigation that the Senator from Maryland refers.

Mr. President, I repeat as a plain business proposition, What ought we to do looking to the interests of the Government? In the first place, I quite agree with the Senator from Maine and the Senator from Massachusetts, and all others, that whatever provision is made here should keep clearly in view the importance and the necessity of providing armor for all the ships which can be made ready for it before a Government plant can be built, and that we shall provide it, whatever price it may be necessary to pay for such armor. In other words, I should desire that the bill should be so shaped that not for a single day should a single ship be postponed of completion by reason of the fact that the Government proposed to erect its own plant. But when we provide that, Mr. President, we have answered all the objection of the Senator from Massachusetts and, as I understand it, practically the suggestion of the Senator from Maine.

The Senator from Maine said, and he frequently said, that it is impracticable for the Government of the United States to construct ships or to make armor or to make guns or anything else as cheaply and as good as can be secured by procuring them from private individuals.

It may be true, Mr. President, and doubtless it is, that on account of the hours which regulate labor employed by the Government of the United States there may be in that one particular greater cost. But I am unable to appreciate the suggestion that the Government of the United States can not produce armor or guns or anything else which can be produced under the supervision of its trained and educated Army and naval officers which shall be as good and as cheap as that which can be gotten elsewhere.

Upon what possible basis can such a suggestion be maintained? We have certainly among our naval officers men who are fully capable of supervising the construction of this armor. They are educated men; they are the men who are sought after by these plants as soon as they become retired. There are now in each one of these plants retired naval officers of the United States in high position, positions of trust, a position where efficiency is a requisite. I think it is to be safely denied that it can possibly be true that these naval officers, if charged with the duty by the Government of the United States, would not perform their duty as faithfully and as well as that duty can be performed by those who are hired by private parties to do it.

Mr. President, I do not desire to further trespass upon the time of the Senate. I had no expectation of going into the question as far as I have done. But I confess that I think really the time has come when the Government of the United States should, as a plain business proposition, put itself in the position where it can either, as the necessities and interests may require, make this armor

itself or say to these other people, "If you do not make it at a proper price, we will make it ourselves."

Mr. DANIEL. I am not a member, Mr. President, of the Naval Committee and can not pretend to be anything like so familiar with the details and bearings of the question before us as the gentlemen who have been conversant with them and with the testimony taken throughout this controversy. It is evident, however, that we are trying to navigate our naval propositions on choppy seas and under cloudy skies, and that we are in a great many reefs and shoals.

I endeavor to collect the best opinion that I can form upon this subject from the conceded facts acknowledged by all and from the necessities of our present situation.

The first fact that strikes my mind in endeavoring to get a fair view on this subject is that armor plate is no longer in the ascendant as a weapon of defense. It has been shown here what has doubtless been known to naval experts for years, but is a fact about which the public has not been conversant, that we have guns that shoot through the thickest and best armor that is used, and we are told by members of the committee and by naval experts that at a right angle our soft-nosed naval shells will not only penetrate the best armor into the boat, but will go through both sides of it, and how far on the other side we know not.

It is evident under this condition of things that the armored battle ship can not be king of the ocean nor monarch of the battle. Until some new and improved armor is invented that will beat the present gun, it is the gun that is the monarch of all it surveys. It is very questionable at this time, with a soft-nosed shell holding the scepter of the ocean and capable, if it can be well directed, of destroying any battle ship, whether we should not hesitate in spending enormous sums of money in building these iron candle boxes. If they were made of pine or of pasteboard they would be just as pregnable and no more pregnable by the last inventions in gunnery and in ammunition.

It is true, Mr. President, that this nation ought to be always prepared for war. The alarm of the public mind by such speeches as are made in the Senate and by such speeches as are made outside of the Senate are prompted by those who make guns and ammunition, and is in itself a public evil which ought to be as far corrected as it can be. The charges for insurance follow the fancied perils of the deep, and they are enhanced by the alarms created by the rumors of war which are made prevalent whenever a question of armor plate is before Congress. It may be taken as a concession, for it is a self-evident fact throughout this country, that the United States will always defend and execute the Monroe doctrine.

The better that that fact is understood and the wider the knowledge of that fact permeates mankind the better for mankind and the better for this country. I do not think that knowledge of that fact is at all likely to provoke war. To my mind it will act as a palliative. I do not believe, Mr. President, that there is any nation on this earth so fatuous and so blind to its interests as to be seeking to tread upon the skirts of the United States. There is no fact better known to all mankind than the fact that this nation will fight for the Monroe doctrine. There is no other fact better known to all mankind than that a fight with this nation is a very serious business and one in which the nation that gets into the fight is pretty certain to be worsted.

Mr. CAFFERY. Will the Senator from Virginia permit me to ask him a question?

Mr. DANIEL. I would rather speak without being interrupted, if it is the same to the Senator.

Mr. CAFFERY. Certainly.

Mr. DANIEL. I have very few remarks to make, and I would rather make them in a quiet, passive way, without being interrupted.

Mr. CAFFERY. It is a very practical question.

Mr. DANIEL. The Senator is irresistible.

Mr. CAFFERY. I wish to know of the Senator whether the assertion of the Monroe doctrine on our part does not imply that we keep hands off as to the Eastern Hemisphere, and further (I will put two questions in one) if, when we go abroad and take possession outside of the Western Hemisphere, of the Philippines, for instance, that act of itself is not an infringement of the Monroe doctrine?

Mr. DANIEL. Mr. President, it makes no difference whatever whether it is or not. Whatever this country does, it is going to stand to it. It made the Monroe doctrine, and it will make any other doctrine that is necessary to defend its own interests, and any nation that thinks it is going to get the better of this country by criticising and opposing the doctrine that we pledge ourselves to will find itself most grossly mistaken.

I am not going into the eastern question. I am trying to get at what is the wisest and best thing for us to do now about constructing a navy. One of the things conceded about our situation is that it is wisest and best for us to have a modern navy. It might be better if such were not the case, but it is conceded by the

enlightened minds of our country, regardless of any political domestic bearing of the question, that we are obliged, in the nature of our situation, to provide a first-class navy.

Now, I am not one of those who think we ought to be hastened in that work by alarms and rumors of war. I do not believe that any war with this country is imminent. I do not believe it, because I have confidence in the intelligence of other nations, because I know that any war with this nation will be so destructive of the interest of any nation that complicates itself in that way that I confide in the statesmanship and good sense of other nations to avoid war with us. And for that reason I am not in haste to do those things which are not wise in themselves to be done.

I think, Mr. President, that this nation occupies such a position of impregnability in self-defense and of such power as an aggressor that it can afford to have some contentment in consciousness of its own might; and in consciousness of that might, in consciousness also of the vast resources, of the absolute union of the whole people, of the inventive genius of this country and of its industrial capacity, I am willing to go slow in order to go surely in the right direction.

Now, Mr. President, there is one most important concession in this case, and that is that an armor-plate trust has got the United States by the throat.

The PRESIDENT pro tempore. The Senator from Virginia will suspend a moment while the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 2355) in relation to the suppression of insurrection in, and to the government of, the Philippine Islands, ceded by Spain to the United States by the treaty concluded at Paris on the 10th day of December, 1898.

Mr. DANIEL. I ask that the unfinished business be laid aside temporarily.

The PRESIDENT pro tempore. The Senator from Virginia asks that the unfinished business be temporarily laid aside that he may continue his remarks. The Chair hears no objection.

Mr. DANIEL. I state it, Mr. President, as a conceded fact that an armor-plate trust has got the United States by the throat; that it has a knife in one hand, plunged into the breast of the country which has nourished and defended it, and that it has the other hand deep in the national pocket.

It is stated in the testimony that the only two armor-plate factories in the United States are in combination with each other. I have read that testimony, especially the testimony of Mr. Schwab, who is the manager of the Carnegie works, in which he states that those works and the Bethlehem works have an understanding with each other and are in combination. So in dealing with us they have combined to get all out of us they can, without any regard to anything else but the profits that they may enable themselves to force out of us. And there is testimony before the committee also that they are likewise in combination with European manufacturers.

When I have stated these facts, Mr. President, I reveal to the mind of the Senate the present situation of the United States, that we are to-day at the absolute mercy of an armor-plate trust which has combined to get all out of us it can.

The Senator from Maine has been driven by the necessities of our situation out of his ordinary democratic or republican notions that industrial enterprises should be left to the citizen as much as possible. My mind has moved just as his mind has moved.

I would that the Government might do no work that the citizen can do for the Government. I would that there were open competition and a fair field. But, Mr. President, that is not the condition we have to deal with. We are dealing with the exact opposite fact. We must always remember in considering this case that to-day, in profound peace, when we have time to confer and to consult as to our best interests, we are at the mercy of this armor-plate trust, which is grinding out of us all that it can and refusing itself to give an account of the cost of material it furnishes us.

Suppose that war were to come to-morrow; we would be absolutely at their disposition. The maxim, "In peace prepare for war," has, under these circumstances, a double application. It should remind us to go on and get ready for war, but it should remind us also to get ready not to be amerced and fleeced at home while we are at war with a public enemy, and, in providing against an enemy on the outside, not to surrender absolutely to a parasite upon the inside.

This condition, Mr. President, has brought the Naval Committee to a conclusion which, in the abstract, I coincide in. That is this: That the time has come when, out of necessity, to resist those who are aggrandizing themselves at the expense of the Government and who have refused all peaceful overtures, we must prepare to build an armor plant for ourselves. To my mind, whether it be paternalism or socialism or any other ism that you please to call it, we have got to do it as a matter of national dignity, of national economy, of national self-respect and self-defense. It is no longer a question of mere political economy. It has become

a question, and has been forced upon us as a question, of national necessity.

The scheme for building this armor plant, however, has been put in the naval appropriation bill as a sort of an alternative scheme. That feature of the bill I object to. We have passed the period of temporizing. It is agreed that we have come to the spot where we must fight. The necessity of the fight having been forced upon us, I am for fighting here and now, and I would not consent to buy one other plate of armor from the trust which has so used this Government.

In my judgment, Mr. President, there is no foreign enemy that we have as much cause to fear as we have to fear ourselves. The questions which we have to decide amongst ourselves are the great problems of the day, and the trust question is one of the greatest of all that we have to deal with.

I do not know that any man is wise enough to suggest at this juncture any sufficient solution of that question; but one thing that is right about it is clear to my mind—that the Government, which is so frequently invoked to deal with it, and which must ultimately endeavor to deal with it as best it can, ought not in the beginning of the discussion to surrender itself to the trust.

In my judgment, the point has been reached here in this naval bill in which we have got to take a stand and in which we have got to exercise our power as a free Government to defend ourselves with such weapons and with such armor as may fitly become the case.

I would rather that private enterprise might have furnished us this armor at a reasonable price; but, after all, Mr. President, it is almost a misnomer to call the great corporate establishments of this day private and individual enterprises in the sense that twenty or thirty or forty years ago we referred to the enterprise of the individual. They are themselves great governments, and each colossal concern presents itself as "imperium in imperio." Their finances are governmental in scale, their employees are myriad; their methods are like the diplomacies of great governments. No one citizen, no twenty citizens, no thousand citizens, unless they be also men of great fortune, can do anything to compete with them. Government is the only thing that can.

We make our muskets in Massachusetts and in other places. We build our guns in New York and at the Washington Navy-Yard. We build ships in any navy-yard we please. It has become necessary to have armor for those ships, and the most economical, the most direct, the most plain way of getting it under the conditions by which we are environed is to make it ourselves.

That was a most important piece of testimony which was read a few moments ago by the Senator from New Hampshire, in which it was stated that four years ago the cost of the plant had been paid back with 22 per cent to the armor-plate manufacturers. A battleship nowadays costs four or five million dollars. The armor plate costs about 25 or 30 per cent. The enormous cost of armor plate to-day for three or four ships would make us a plant.

It is necessary to have that plant for two reasons—first, to make sure that we will get armor in the future, if we need it; and, second, to prevent armor-plate manufacturers from making it at many times its proper cost. I shall not go much into the details of the cost. Some say it can be manufactured at \$250 or \$265 a ton. The estimate of the Secretary of the Navy a few years ago was \$300 to \$400 a ton. Counting interest on the plant and other things which are thrown in to magnify the price, he finally concluded that \$400 would be a full and fair price, leaving a good margin for profit.

The Secretary of the Navy, Mr. President, as we have been told and as his recommendation shows, recommended \$400 a ton as a full and fair price for this armor plate. It has averaged the Government from \$560 to \$575 a ton, a profit on each ton of \$150 or \$175 over and above what was considered a full and profitable price after allowing full margin for all contingencies that were anywhere within reason. We have got about \$35,000,000 worth of armor to buy, estimating at the present rates. We have a fleet of 17 vessels which from year to year in the immediate future must be provided with armor. We are providing in this bill for new vessels, and yet there are gentlemen who say, "Beware of paternalism."

Paternalism is better than robbery, Mr. President, or what is equivalent to robbery in its effects upon the public purse. There is no paternalism in this bill that is not clearly within the constitutional powers of the Government of the United States. We will not be doing anything which was not fully contemplated by the authors of the most republican and democratic Constitution under which the world lives. We will not be doing anything which is not of like kind with what we have been doing ever since we were able to do it; and we are moved to do this thing under the most powerful stimulant and under the most dire necessity that ever moved a nation to a sense of self-respect and to the necessity of self-defense.

Mr. President, in reading over the schemes of the naval bill and the literature which pertains thereto, and in observing the naval

experiments which are being made here and there, I discover a scheme which may allay altogether the apprehensions of the citizens who dwell upon our coast as to attacks from foreign powers. I will make no slighting allusion to these apprehensions. They exist in the nature of the case; they may be magnified from time to time; they may be exploited for personal ends from time to time; but nevertheless they are in fact to a degree well grounded, and they inhere in our geographical situation.

It is very natural and it is right that the people of New York and the people of our coast cities should have an apprehension that would move them to the proper steps of self-defense. We are providing to allay these apprehensions in the most fitting way by coast defenses of a stationary kind. We are building at New York a gun that will shoot 20 miles, and whose foundation cost a million and a half dollars; and we are building all along the coast proper seacoast defenses. That is one thing.

American invention has recently, however, Mr. President, devised a boat of a new order, a submarine torpedo boat, which is inexpensive compared to armor-plated vessels and as compared to the great ships which it is proposed shall perambulate the ocean. They are the Holland type. You can buy 20 of those boats for the cost of one battle ship. We have the testimony before us of officers of the highest rank and of the greatest expertness as sailors and naval constructors, who have witnessed the tests of that boat, and who have given most direct testimony as to its efficiency.

The first thing for a nation to do is to prepare to defend itself; and these boats up to their present development are the devices for harbor defense. I would like to read a little from the testimony of Admiral Dewey, Admiral Hichborn, and Lieutenant Caldwell upon this subject. The testimony of Admiral Dewey, which I shall read now, was given last month before a House committee, and in a few sentences he sums up the case. He says:

Gentlemen, I saw the operation of the boat down off Mount Vernon the other day. Several members of this committee were there. I think we were all very much impressed with its performance. My aid, Lieutenant Caldwell, was on board. He could tell, if necessary, what was done from the inside. The boat did everything that the owners proposed to do. And I said then, and I have said it since, that if they had had two of those things in Manila I never could have held it with the squadron I had. The moral effect—to my mind it is infinitely superior to mines or torpedoes or anything of the kind. With those craft moving under water it would wear people out. With two of those in Galveston, all the navies of the world could not blockade that place. I agree with the resolution of Mr. CUMMINGS. I think it would be money well spent. I think it would tend to keep peace. That is what we want a navy for.

Two of these boats, says he, in a harbor, and it could not be blockaded by all the navies in the world. I think my honorable friend from Massachusetts might allay many apprehensions on the New England coast by calling attention to this fact and by helping to supply those apprehensive cities with a pair of these boats. The Senator has justly said that Admiral Dewey is our greatest admiral. He has just come from the field of combat. He says in another part of his testimony, confirming what he said in the beginning:

From what I saw my own belief is that I could not, with my squadron, fifteen ships—if the enemy had two of those boats with determined Americans on board—have held that bay.

I had not a vessel—

He says—

that could have got into Pasig River, and they would have come out at night, and we would not have seen them. They would have had that opportunity and taken dark nights, and we would not have seen them until they were close to us, and my experience is that you fire very badly in those conditions.

Admiral Hichborn in his testimony recommends the purchase of twenty of these boats. The Naval Committee has recommended five. Every question about them has been fully and fairly answered by these expert naval men—Admiral Dewey, Admiral Hichborn, and Lieutenant Caldwell. These boats can stay under water forty-eight hours, if necessary. They do not come to the surface in order to fire, but only what is called the turret, which is only 16 inches in diameter, is exposed upon the surface. Admiral Dewey saw the boat fire, and says that the turret was in view ten seconds. Another officer says twelve seconds. Lieutenant Caldwell was asked what would be the chance of an opposing ship striking the turret with artillery when it appeared. His answer was, "One chance in a million;" and a reflection on the situation shows that he answered wisely.

Mr. President, to sum up my view of this situation, it is this: I would build an armor plant now, without waiting a day, appropriating \$2,000,000, as is done in the alternative in this bill, and making for the United States, just as quickly as our artisans can construct the work, the best armor plant in the world for the supply of the American Navy. I would let the battle ships wait for that armor. I do not know that before next year there will not be an improvement in armor which will make all that we are buying this year entirely useless.

One thing is certain: The battle ship as such and as an armored ship cut little or no figure in the late war. One other thing is

also certain: That the gun and not the ship now dominates the ocean. Ideas work slowly; plans have been made and contracts entered into which contemplate future needs. There never was a better time or a better opportunity for the United States to pause than now. We are at peace with all the earth. We have just signally notified the world what we can do. There is no nation on earth which has any reason to pick a quarrel with us, and none that has not good reason not to pick a quarrel with us. If any nation does pick a quarrel with us, they know that we will be ready to see it out. It is a good time to pause and to take no step that is not in itself measured by its own elements, the right and just step to take.

American invention has given us, according to the testimony of Admiral Dewey, Admiral Hichborn, and Lieutenant Caldwell, a means of harbor defense which, as the Admiral of our Navy says, with two of them in a harbor the navies of the world could not blockade it. Two of them in Manila Bay, he said, and his fleet would have been impotent. With our siege guns defending our coast and with torpedo boats to defend it, we have the opportunity to wait; and I would let those ships rot upon the hulks, and I would show the greedy, aggrandizing, and remorseless trust, which is trying to play upon our patriotism to get at our pockets, that it is a game that two can play at; and that when the United States undertakes to play the game, it intends to win the game; and without compromise or parley I would let the trust know that we were not helpless and that we were not submissive.

Nations go to war for their honor and their self-respect, and men go to private war for their honor and self-respect. It is just as base to surrender to an enemy within doors as to surrender to an enemy outdoors. National honor, national interests, and the pride and dignity of the American Government require that at this spot we should fight. A few years will roll by quickly, Mr. President. I am not afraid that we are going to be suddenly rushed upon and overpowered and strangled. Such apprehensions always grow in magnitude when we are discussing armor plate; and while I intend and insinuate no reflection upon any gentleman who disagrees with me, yet it gets in here and becomes infectious, and we get ourselves unconsciously penetrated by the notions that are put afloat to stimulate action.

Here is the place for a decisive action and not for a compromise, which may succeed for a year, and which may not succeed at all, and which in itself is a mere mollifier, a present peacemaker. If the trust consents to \$445 a ton, we will have no plant. Next year rumors of war may be thicker and the prospect of war may be greater, and then, without any plant, we will have to go back to their old terms and be mulcted again and again and again. We are merely postponing a question that is upon us. We are not dealing with it.

Now is the time to deal with it, and the way to deal with it is to stop your work and let the American people ponder on that object lesson for a little while; and let them see that because the trust found in Washington a Congress that would not surrender to it, naval architecture stopped, and the sound of the hammer was silent until the Government could do the work itself.

It would be an impressive moral lesson to the American people; it would be a just warning to unjust greed; it would be a proper and wise and a just thing to do as a nation subserving its own interests, and not submitting at any time or at any place to an injustice which it was in its power to obviate or to correct.

Therefore, Mr. President, when the time comes I shall vote to strike out of the amendment of the Naval Committee any proposition to go on and pay \$545 a ton, which this amendment provides for in the event that the armor companies will not take \$445 per ton, and I shall vote to go at once to work to construct the armor plant, whether they consent to present terms or not.

This is the best place for the breaking off of this impotent diplomacy, which began years ago in another Administration and has wound up with an average of \$560 and \$575 per ton for armor plate which was worth \$400 per ton at a full figure.

Mr. SCOTT. Will the Senator allow me a moment?

Mr. DANIEL. With great pleasure.

Mr. SCOTT. Will the Senator from Virginia please give the price of machine and tool steel at the present time?

Mr. DANIEL. I do not care what it is.

Mr. SCOTT. It is \$851.20 a ton.

Mr. DANIEL. I do not care what the price of steel is to-day or what it has been. I call the honorable Senator's attention to the pivotal fact in this case, that no one has denied, and it is this: That the armor-plate factories are in a trust, and have combined together to name their own terms to the United States, and to the further fact that, according to the testimony which was before the committee and is reiterated here by the Senator from Maine [Mr. HALE] and the Senator from Massachusetts [Mr. LODGE], and made the predicate of opposition to the proposition that I am advocating, this trust is exorbitant and has got its knife in us. No matter what the price has been or is now, it is a conceded fact that they have organized a trust to impose upon us,

and are imposing on us; and for my part I would not submit a day or an hour further to that imposition.

What does the Senator from West Virginia say to the testimony given here, that four years ago the value of the plant and 22 per cent additional had been paid on it back to the trust? What does he say in answer to the statement of the Senator from Maine, that they have got their knives in us, and that he has been driven out of his individualistic notion to the conclusion that at last we must propose an armor plant? What does he say to the mass of testimony which has been accumulated upon us from year to year and given to the Senate with tiresome iteration, that we are at the mercy of this trust? What would the Senator do if we had the bugle call to war to-morrow? Bow submissively to this greedy, aggrandizing, exorbitant trust, that has got its knife in our breasts and would then drive it in up to the hilt—what would he do then?

When the Senator has given us his own facts and figures as to the cost of this armor, when he has overturned the testimony that is on record, and when he has explained what he would advise this country to do if we had war now, then I will give further answer to his question.

But let the Senator note what our situation is, that to-day, with 17 ships waiting for armor, with the world arming and the necessity of the new navy upon us, he would have us do nothing to stay the hand of this ungracious and greedy trust; he would have the Senate surrender to it for to-day and for to-morrow, for peace and for war, by asking me some question as to what is the current price of steel! What has that got to do with it, sir, whether steel is up or down; whether armor plate is up or down? We are at the mercy of a trust, and the advice of the honorable Senator and of all who agree with him is, summed up, no more than this: Surrender to the trust and let the future take care of itself.

Mr. PENROSE. Mr. President, I desire to offer two amendments to the bill so as to bring the question before the Senate. I send the amendments to the desk.

The PRESIDENT pro tempore. The amendments submitted by the Senator from Pennsylvania will be stated.

The SECRETARY. On page 65, line 23, it is proposed to strike out from the word "Provided" to the end of the paragraph, in line 6, on page 67, and insert in lieu thereof the following:

Provided, That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for the battle ships Maine, Ohio, and Missouri, authorized by the act of May 4, 1898, at a cost not to exceed \$345 a ton of 2,240 pounds, including royalties.

Mr. PENROSE. There are two amendments.

The Secretary read the second amendment, as follows:

After the paragraph above mentioned insert the following restriction under the heading "Armor and armament" in the act approved March 3, 1899, entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1900, and for other purposes," namely: "And provided further, That no contract for the armor for any vessels authorized by this act shall be made at an average rate exceeding \$300 per ton of 2,240 pounds, including royalty; and in no case shall a contract be made for the construction of the hull of any vessel authorized by this act until a contract has been made for the armor of such vessel," is hereby removed, and the Secretary of the Navy is authorized, upon the passage of this act, to let the contracts for the vessels therein referred to subject to all other requirements relating to the same as contained in said act of March 3, 1899, except as to sheathing and coppering, which is hereby made discretionary with the Secretary of the Navy.

Mr. PENROSE. Mr. President, the practical effect of those two amendments which I have presented to the Senate is to remove all restrictions upon the price of armor plate and to permit the Secretary of the Navy to proceed to contract with any persons in the United States at the best prices which he can get. At the proper time, after I have made the few remarks I desire to submit to the Senate, I shall ask the Senator from South Carolina to withdraw the amendment which I believe is pending before this body, so that these amendments, which are more radical and far-reaching in their character, may be acted upon, and subsequently we can act upon his amendment.

Mr. TILLMAN. I will do that with pleasure. I will give the Senator a chance to have a vote upon the amendment.

Mr. PENROSE. Mr. President, the question under discussion is probably as important a matter as the Senate has had to deal with during its present session. There has been so much misunderstanding, so much misstatement, and so much confusion, involving almost every feature of this question, that I feel it almost impossible in the short time during which I shall occupy the attention of the Senate to go into the matter thoroughly. I am impelled, however, to submit some matters for the consideration of the Senate, because the two concerns which furnish this armor plate are located in the great State which I have the honor to represent in this body, and I can not but feel that it would be improper for me to sit here silent and listen to the tirades and abuses and innuendoes which have been made against the people concerned in those establishments.

Mr. President, they have been the pioneers of the iron and steel industries of the United States. They are men respected in their communities, honorable in their dealings, and for Senators to make reckless assertions here that these men are endeavoring to

rob the Government of the United States, to hold it up with a high hand, is a matter which can not be tolerated or borne in silence. These enormous establishments are the pride of our age. They have produced a condition of affairs under which we will in a short time become, if we are not already, the greatest exporting nation in the world of all iron and steel products, and the armor plate which the Government gets, especially from the Carnegie Company, is but an insignificant part of the business of that concern. I desire to protest that Senators should continue to make these statements in a light and frivolous manner, unsubstantiated by facts—statements involving the integrity and the honor of the greatest industries of this century, of this country, or of any country.

Mr. President, the situation which confronts us ought to be clearly understood by the Senate. Quoting from the Navy Department, Bureau of Construction and Repair, we find that the following vessels are being held up by reason of the difference upon the question of armor plate. The vessels authorized in 1898, Nos. 10, 11, and 12, the *Maine*, *Missouri*, and *Ohio*, are at present under construction and incomplete because this question has not been settled. Three sheathed battle ships authorized in 1899—namely, the *Pennsylvania*, *New Jersey*, and *Georgia*—are still involved in the preparation of their designs, entirely because the Secretary of the Navy has not the authority to proceed to invite proposals and to award the contracts until the armor-plate question is settled.

Three armored cruisers authorized in 1899—the *West Virginia*, the *Nebraska*, and the *California*—are in a similar condition.

When we come to consider the increase of the Navy contemplated by the present bill, we find—

That for the purpose of further increasing the naval establishment of the United States, the President is hereby authorized to have constructed by contract two seagoing battle ships, carrying the heaviest armor and most powerful ordnance for vessels of their class, upon a trial displacement of about 13,500 tons, and to have the highest practicable speed and great radius of action, and to cost, exclusive of armor and armament, not exceeding \$3,600,000 each; three armored cruisers of about 13,000 tons trial displacement, carrying the heaviest armor and most powerful ordnance for vessels of their class, and to have the highest practicable speed and great radius of action, and to cost, exclusive of armor and armament, not exceeding \$4,250,000 each—

And further increase that is not so nearly involved in this question.

Mr. President, that would seem to any reasonable and candid man to be an extraordinary condition for any great government to permit itself to be involved in, to start out with this ambitious plan for the increase of our Navy and to have all these vessels held up because we can not come to some conclusion on the question of their armor. I shall not at this time go into the importance, the essential importance, of building up the American Navy.

I believe it is admitted by every Senator, I believe it is admitted by every American citizen, that our development, as illustrated especially by the recent war, renders the construction of our Navy of essential and vital importance to our future national development. We are naturally an island nation, bounded on every side of our continental domain by the ocean. We occupy a central position in the commerce of the world, and there opens before us upon a colossal scale a great future of maritime and commercial domination such as England has held in the political and commercial conditions of Europe for several hundred years. We must get possession and control of those oceans to maintain that power, to advance our commerce, to maintain the American merchant marine, to advance American civilization.

It has not been so long ago when Spain occupied the position which England does to-day. It was the bravery of the English seamen, of Drake and Hawkins and their associates and contemporaries, that wrested the power of maritime domination from the Spanish nation, and which ultimately ended, in our Spanish war, in divesting that nation of her colonial possessions, and created for England the splendid commercial standing which she has had for three hundred years. It is our evident and manifest destiny that we upon a larger scale than ever was contemplated shall rise to a similar commercial basis.

While we are talking of subsidizing ships of the merchant marine, building up the American merchant service, we should not forget that the vitally and essentially underlying element is that which protects that marine, which asserts the power of American domination in every portion of the globe which is involved in the integrity and the effectiveness of our Navy. To halt now would be so shortsighted and so petty as to justly invite upon us the contempt of every nation of the world. I shall not go further with these considerations, for I feel that no Senator will dispute them.

The Senator from Virginia stated that we could wait; that we could wait for the improvements in naval architecture; that we could wait for improved processes; that we were so large in population, so tremendous in the magnitude of our commercial conditions, that no nation would attack us. Mr. President, we are to-day in a position where any two or three of the first-class nations in the world could not only attack us, but dictate their terms to us, if it ever became a question of a contest upon the

seas. Commercial size and population have been frequently the accompaniments of the weakest nations, and small but efficient and vigorous nations have been able to conquer them and turn the tide of civilization. It is the improved firearm, the improved war vessel, which give superiority to races as much as moral qualities or a high degree of civilization.

I have referred briefly to the condition of the American Navy at the present time, that the splendid vessels which should have been in process of construction, many of them equipped and bearing the American flag in every direction, protecting American commerce and advancing American interests, have been held up by this apparently interminable discussion.

Now, what does the Navy Department recommend to Congress to obviate this condition? In Senate Document No. 10, Fifty-sixth Congress, first session, the Secretary of the Navy presents the armor question to Congress in the form of a statement signed by the Chief of the Bureau of Ordnance. This statement gives Congress the information in its possession regarding the Krupp armor, which it is now proposed to use on the vessels of the Navy. On page 22 the Department suggests to Congress what to do in the matter of armor:

WHAT THE DEPARTMENT SUGGESTS TO CONGRESS TO DO IN THE MATTER OF ARMOR.

First. Enable the Department to procure the best quality of armor that can be made in the United States for battle ships *Maine*, *Ohio*, and *Missouri*.
Second. Make the necessary provision at an early date.

Third. Remove the restriction contained in the act of March 3, 1899, limiting the price of armor for the six armored vessels authorized by said act to \$300 per ton, including royalty.

Fourth. Remove the proviso contained in the act of March 3, 1899, which directs that none of the armored vessels authorized by said act shall be contracted for until the armor therefor is contracted for.

In any case, the Department trusts that some final solution of the armor situation may be arrived at, in order that the building of armored vessels may be proceeded with, it being evident that until some settlement of this vexed question is reached no shipbuilding programme can be satisfactorily carried on.

It is to carry out these recommendations of the Navy Department that I offer the amendments which I now present to the Senate.

The Senator from Virginia referred to the fact that these armor-plate establishments constituted a trust. When he was asked whether he knew what the price of tool steel was at the present time he scorned the thought that it was necessary to pay any attention to that question, failing to realize that in the manufacture of armor the important part of the process begins when it becomes necessary to carve and cut the heavy metal ingots into the various designs required by the architecture of the battle ship.

Why are they a trust? Simply because no commercial interest in the United States can depend upon the American Government for any consistent line of action. Why have not other persons entered into competition for this armor plate? Because no one has any assurance as to what the policy of the American Government will be in the construction and upbuilding of our Navy. Did we map out a plan of action contemplating a certain course of conduct for the next ten years, assuring the people in the iron and steel business that they might count upon so much Government patronage, I have no doubt that there would be many other establishments in the United States ready and willing to go into competition. But the business is perilous and speculative, dependent upon the vacillation of parties, the course of the demagogue, and apparently devoid of any consistency or high public policy.

There are concerns in Pennsylvania fully equipped, to my knowledge, to go into this business in competition with Bethlehem and Carnegie, and I know that they hesitate to do so on account of this condition of affairs to which I have referred. Therefore, when we come to criticize the armor-plate establishments we should also bear in mind that the Government of the United States is delinquent to a certain extent and responsible for this unsatisfactory condition which prevails in our relations with them.

Mr. President, reference has been made with equal recklessness to the enormous profits involved in the manufacture of armor. I called the attention of the Senator from Georgia, in his speech, to the fact that in the whole history of the armor industry in the United States since 1887 the total number of tons of armor required by the Government of the United States was—of the Bethlehem Company, 18,680 tons, and of the Carnegie Company, 17,093 tons, making to the Bethlehem Company a total appropriation of \$10,000,225.72 as the gross amount appropriated to that company, including the cost of armor, and to the Carnegie Company \$9,205,208; a grand total of 35,773 tons at a cost of \$19,460,280.

I understand that in one of the reports of the Department it is estimated that the cost of the two plants is in the neighborhood of \$9,000,000. Therefore the total gross appropriation from the United States Government to these two institutions is only double the value of their plants. Yet Senators stand here and talk about enormous profits, and that the plants have been paid for several times over in the history of these appropriations. It is stated that the actual profits to either of these concerns is under 6 per

cent upon their investment. Six per cent in a business uncertain—

Mr. TILLMAN. Will the Senator permit me to make a suggestion?

Mr. PENROSE. Certainly.

Mr. TILLMAN. How does he account for the charges made by Mr. Frick in his suit against Mr. Carnegie as to the profits of this business?

Mr. HANNA. That was not this business at all.

Mr. PENROSE. I am very glad the Senator has asked me that question. It gives me an opportunity to explain that, so far as the Carnegie Company is concerned, armor plate is an inconsiderable and almost inappreciable factor in their business.

Mr. TILLMAN. If it is such an insignificant and pitiful thing that it is not worthy of their consideration, why do they not let the Government of the United States build a factory of its own and give up this business which is so unprofitable?

Mr. PENROSE. I do not think, in our attitude upon this question, we are influenced by the wishes of the armor-plate manufacturers. There are some of us who have a sincere belief that no government can conduct a manufacturing establishment; that it is bound to end in failure; that it should be left to individual enterprise, as best for the Government and for the country in the end.

Mr. TILLMAN. Why does the Government build its artillery, both for the Army and the Navy, and its rifles? Why not let those be built under contract by private parties?

Mr. PENROSE. It does so only in a modified degree. The Government does the assembling and finishing of the gun, but the ingot and the first product come from private establishments.

Mr. TILLMAN. What is the relative cost of the two? Is it not about 10 per cent for material and the balance labor?

Mr. PENROSE. It is impossible to ascertain, and I doubt whether anyone connected with our Government knows, just what the position of our gun factories is as regards the profit or loss upon their manufacturing processes. I have never seen any reliable statistics. I should be very glad if the Senator can furnish them.

Mr. TILLMAN. So far as that is concerned, if the Senator will permit me, there are no statistics on the subject, but I take it for granted that the Government would not continue to make its own guns of every description if it were not satisfied it could do it better and cheaper than anybody else.

Mr. PENROSE. I hope, in a short time, to approach that point and answer the Senator's question. I will now, however, answer his question about the relative proportion which the armor business has to the balance of the business of the Carnegie concern. I have a little memorandum of it, which I will read.

It has been stated in the newspapers, and, I understand, admitted by the company, that the total profits of the Carnegie Steel Company for the year 1899 were in the neighborhood of \$21,000,000. During that year the company furnished the Navy Department just about 2,000 tons of armor, at \$400 a ton, receiving therefor a total amount of \$800,000. No matter what per cent of profit may be contained in this amount of gross receipts, it will be inconsiderable alongside of the total profits of the company for that year.

If we assume that the profit on armor manufactured in that year was even 25 per cent of the receipts, this profit would amount to \$200,000 a year, or less than one eighty-fourth of the whole amount of profit for that year. The value of plant and working capital engaged in the manufacture of armor is about \$4,000,000, and therefore a profit of 25 per cent on the gross receipts would be only 5 per cent on the capital invested.

I will call the Senator's attention to the fact that the armor business was about one eighty-fourth of the whole profits of the year. To the Bethlehem Company, I believe, the armor question is a more considerable factor.

Now, with regard to the committee's amendment proposing a price of \$445 per ton for all the armor for the vessels authorized and to be authorized by the present act, this amount of armor would be, as stated by the Navy Department, about 32,000 tons, and its delivery would extend throughout a period of seven or eight years if supplied by the two existing armor manufacturers, not that they could not supply this armor in a less time, but the rate at which the armor is furnished depends upon the requirements of the shipbuilders, and with only three shipbuilding concerns at present of size and capacity capable of building battle ships and first-class armored cruisers it is not probable that the average yearly demand will be greater than it has been in the past.

In Senate Document No. 10, to which I have referred, on page 25, it is stated that the total amount of armor delivered to date by the two armor-manufacturing establishments is 37,773 tons, at a cost of \$19,000,000. I have already referred to that fact. This runs through a period of thirteen years, involving an average gross receipt per year of \$1,496,945 on a combined value of plant and working capital of about \$9,000,000, as I have already explained, which gross receipts from armor, upon these approximate figures,

would be considerably less than 19 per cent on the capital invested, whereas, as I explained to the Senator from Georgia during his remarks, Secretary Herbert, in his estimate of the cost of armor, proposed to allow the armor manufacturers 50 per cent profit, and the Senator from New Hampshire, a member of the Naval Committee, proposed to allow them 33½ per cent, whereas the total actual receipts are less than 19 per cent.

Mr. TILLMAN. The Senator has calculated that on the basis of thirteen years.

Mr. PENROSE. I have.

Mr. TILLMAN. The Senator ought to remember that the Carnegie Company never began the construction of armor at all until about 1890 or 1891.

Mr. PENROSE. I am quoting from Senate Document No. 10.

Mr. TILLMAN. I must confess that Senate Document No. 10 appears to be a lawyer's brief in behalf of the armor trust, instead of a report from a Government Department.

Mr. PENROSE. It comes from an admiral in the Navy, of standing and character, and I quote from page 21 in my statement of the profits of these two companies. It is rather a serious matter for any Senator to challenge a statement of fact coming from the Navy Department of the United States.

Now, the above referred to amount of armor manufactured during the thirteen years referred to is an average of only about 1,500 tons a year for each armor manufacturing establishment, less than half the capacity of each plant, which small output has necessitated the shutting down of the plants for a considerable portion of each year, largely increasing the cost of manufacturing and necessitating the discharge and scattering of the entire force of skilled employees. The absence of any certain policy, to which I have already referred, on the part of this Government renders this business speculative and uncertain, to that degree that for a third of the year in the thirteen years of its history they have been obliged to shut down their armor plants, and the skilled employees have been scattered over the country, seeking employment elsewhere.

Mr. President, I will admit the inexpediency of contracting for too large an amount of armor at one time. No one can tell what improvements and changes may be made in armor in the coming eight or ten years. Many changes, as we know, have already been made in the past, and a provisional contract, such as that suggested by the Naval Committee's amendment, could only apply to Krupp armor such as is now furnished, to be obtained at the proposed price, which would exclude all improvements in the future, or such contract would have to contain a provision providing for an increased or diminished price if the character of the armor furnished is changed.

The price proposed for Krupp armor by the committee's amendment, namely, \$445 per ton, including royalty, would amount to a price of only about \$395 per ton for Krupp armor to the armor manufacturers, the royalty being about \$50 a ton. This royalty varies for the different thicknesses of plate, and would average about \$50 per ton on the armor of a battle ship. The armor manufacturers, therefore, would receive less for the Krupp armor, which it is proposed that they should furnish, than for the Harvey armor, which they are now furnishing.

The chairman of the Committee on Naval Affairs admitted that, in his opinion, \$400 per ton was a fair price for Harvey armor, and that Krupp armor was, on an average, 25 per cent better than Harvey armor. The committee's amendment would, therefore, propose paying the armor manufacturers a less amount for an armor 25 per cent better.

Even the fact of this extra cost has been wantonly and recklessly challenged by Senators who would consider that it was but a fraudulent pretext to extort a larger sum of money from the Government. Yet none of them challenge specifically and in detail the various items given here in this letter of the Secretary of the Navy showing the cause of the increased cost of the Krupp armor.

In Senate Document No. 10, on page 7, the Chief of the Bureau of Ordnance gives the extra cost of new materials entering into the ingot for the Krupp armor as \$33.17 per ton. This amount is in addition to the materials entering into the ingot for Harvey armor. There is also there stated a number of items of increased expense of the Krupp armor over Harvey armor, although these are not evaluated. The principal item of increased cost, above mentioned, is due to the decreased output of Krupp armor as compared to Harvey armor, the processes being longer and more numerous and the losses in manufacture much increased.

The committee's amendment proposes that the Department procure or purchase a suitable site and erect thereon an armor-plate factory at a cost not to exceed \$4,000,000, in case the armor for all the vessels authorized is not obtained at the price of \$445 per ton, including royalty.

The report of the Armor Factory Board, House Document No. 95, Fifty-fifth Congress, second session, dated December 7, 1897, gives, on page 18, an estimate for a Government armor plant

amounting to \$3,747,912.11. Admiral O'Neil, in his testimony before the Committee on Naval Affairs of the House of Representatives, February 16, 1900, on page 9, stated that this estimate for a Government armor plant should be increased probably 30 per cent, owing to the increase in the cost of material and wages, making the estimate \$4,872,285.

With regard to the advisability of erecting an armor plant, the Chief of the Bureau of Ordnance, in his report to the Secretary of the Navy of 1897, makes the following statement:

The Bureau is of the opinion that the Government can purchase armor more cheaply than it can manufacture it, and regards the making of armor as a proper adjunct to a great commercial steel plant. Foreign practice confirms this view; and even should the Department acquire a plant of its own, the chances are that it would be at a great cost, and that it would lie idle a large part of the time and thus suffer great deterioration, and that the expense and difficulty of operating it when needed would more than offset any advantages gained by such ownership.

The Senators who challenge without hesitation the recommendations of the skilled experts of the Navy can not explain why it is that England and most of the governments of Europe award these contracts to private concerns. Certainly England, with her enormous navy, larger than we can hope to attain for years, if ever, should be some object lesson to us in the methods for the economical and efficient construction of a navy. Yet no attempt is made to answer why these countries have failed to establish their own plants. I believe it has been said that the head of one government in Europe has been interested financially in an armor-plate establishment. That explanation does not apply to England, Russia, and the other countries of Europe.

The steel-making plant of a Government armor plant, if of sufficient size to make the largest ingots required, would be able to cast in a few weeks as many ingots as the rest of the plant could use in a year. The remainder of the time the casting plant would be idle. Good steel can only be made from an open-hearth plant in constant operation. From this it will appear how wasteful an armor plant would be which was not an adjunct to a large commercial steel works. The Government armor plant would have no use for all its waste metal, which is utilized in a private plant for commercial purposes. The above are simply two of a large number of reasons which are at once apparent to anyone familiar with the subject.

But the Senator from New Hampshire well stated that the armor plant of the Government should be located at some section in convenient proximity to steel works, entirely oblivious to the fact that the Government would still be at the mercy of these alleged monopolies, the great steel establishments, to secure the steel product before the Government could commence the manufacture of their armor. It would only be a difference of degree in the condition under which it is charged the Government of the United States is now held by these capitalists and monopolists.

The skilled expert labor required in making the steel for armor is paid for by the armor manufacturers at a rate far exceeding any wages or salaries paid by the Government for such work.

What is there, Mr. President, in the training of a naval officer which gives him any knowledge or insight into the manufacture of one of the most complicated processes of all modern manufactures, the treatment of steel, the completion of the final finished product? Certainly his knowledge of navigation does not tend to that view. A smattering of French and a study of naval strategy are certainly not calculated, however much they may contribute to the brilliancy which every American admiral is characteristic of our naval officers, to give that technicality involved in the maintenance of the fine economies and the minute processes of an immense manufacturing establishment.

Mr. TILLMAN. Mr. President—

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Pennsylvania yield to the Senator from South Carolina?

Mr. PENROSE. Certainly.

Mr. TILLMAN. The Senator is arguing about, first, the danger that before this contract of 32,000 tons has been completed there may be other improvements which would make the Krupp armor undesirable, and yet we would be bound by the contract. Then he argues upon the difficulty of testing and experimenting with and discovering, so to speak, the improved processes of making better armor. Does he not think we could do that better in a Government factory than it could be done in a private concern?

Mr. PENROSE. I believe it would be impossible, Mr. President, for any Government factory to keep in touch with the advances in chemical knowledge, in the minute economies and processes, which the fierce pressure of competition present in private commercial concerns and which they investigate and advance.

Mr. TILLMAN. Is the Senator aware that the Harvey process was discovered by a naval officer?

Mr. PENROSE. I do not recall, Mr. President.

Mr. TILLMAN. I mean in regard to its application to armor. Mr. Harvey had found that that kind of steel subjected to his process would be hardened; but it never entered into his head to

think about applying it to armor until Mr. Folger, of the Navy, Commander Folger, I think it was at that time, suggested it, and then went and patented it, and they have been robbing the Government ever since for the discovery made by a naval officer.

Mr. PENROSE. I have not been informed that Mr. Harvey was a naval officer.

Mr. TILLMAN. I am talking about Mr. Folger.

Mr. PENROSE. As I understand it, the Harvey process was the product of Mr. Harvey's ingenuity and genius. How far any naval officer may have recognized the value of the process or contributed to its adoption by the Government I do not know.

Mr. TILLMAN. I know this, that the Secretary of the Navy expedited the passage of the patent through the Patent Office by a letter which caused it to be taken up out of its order and considered and passed.

Mr. PENROSE. That may be, Mr. President, but in the history of the great iron and steel industries of Pennsylvania and of the United States I know of no important process which has contributed to the magnificent results which have made this industry a marvel in that direction which has been contributed by any employee of the Government, be he naval, civil, or military.

Mr. TILLMAN. Is the Senator aware of the man who constructed the armor factory at Bethlehem? Was he not a naval officer?

Mr. PENROSE. There might have been a naval officer there. I am not informed upon that point.

Mr. TILLMAN. But the man who planned it, the man who originated the armor industry in this country, was a naval officer, educated at Annapolis.

Mr. PENROSE. I am aware of the fact that ex-naval officers are connected with those concerns, but that they have particularly contributed to the advancement of this industry I entirely deny.

Reference has been made to the gun factories at the Washington Navy-Yard and at the Watervliet Arsenal. The forgings for the guns are received from private works; the forgings are oil-tempered and annealed and fully treated and rough-machined. The labor there under Government direction is that of machine finishing and assembling.

To illustrate, an armor plant with a capacity of 5,000 tons per year would necessitate a steel plant capable of turning out about 50,000 tons of steel per year. It was suggested by the Senator from New Hampshire that a Government armor factory, without a steel-making plant, could be erected near some large commercial steel works, from which it could obtain its ingots. The objection to this proposition is that the Government would be a dependent upon the private works for the supply of ingots, and that no private works would furnish a Government armor factory with ingots of the required size and chemical composition on the condition that the armor plates, made therefrom would successfully meet the Government tests.

Further, the idea that seems to prevail of getting away from the control of this alleged monopoly would not be obviated by this proposed method, as the Government would be entirely dependent upon the private works, situated near the Government works, for the supply of ingots, for which the private works would ask whatever price they pleased. In all probability the private manufacturer would dictate to the Government the price of the ingots.

Mr. TILLMAN. If the Senator will permit me, I will correct the statement I made a little while ago. It was Mr. William H. Jaques, of the Navy, who planned and laid out the foundation and got all the drawings and specifications for the Bethlehem works. Still he was a naval officer. That is the main thing.

Mr. PENROSE. The private manufacturer could dictate to the Government as absolutely the price of the ingot as he is now charged with dictating the price of the finished and completed armor plate.

Another obvious disadvantage of the proposed Government armor factory, without a steel-making plant, is the fact that the armor ingot must be forged before it gets cool from the heat of casting, which would require the Government plant to be built in very close proximity to a private steel works.

Any division of labor between a private establishment and the Government works in producing armor would include a division of responsibility.

Mr. President, there is the greatest difficulty involved in the manufacture of this important product, in the efficiency of which is involved possibly in the future our national victory or our national disgrace, because it may mean the defeat of our vessels upon the ocean, the termination of our national supremacy. It may be we shall advance upon the splendid course of victory and glory which seems marked out for our nation. The most difficult branch of the whole business is the metallurgical process involved in the manufacture of both guns and armor, processes involving a peculiar, technical combination, which no man can obtain because no government would be willing to pay the compensation which a private concern is compelled to pay to obtain this talent.

With a Government armor plant the Government would have

to own or purchase its ore supplies, make its iron, then its steel, and would have to engage in the manufacture commencing with the raw materials. This is pointed out in the Report of the Armor Factory Board, on page 19, where it is shown that a steel-making plant is absolutely necessary to an armor-making plant; and, on page 20, under the head of "Practicability," the following statements are given as the opinion of the board, and I quote briefly from that opinion:

In accordance with your views that the Congress would wish from the board a statement in the rough of the practicability of putting up an armor plant, we respectfully submit the following considerations:

1. An armor factory comprises, essentially, a collection of special furnaces, heavy machine tools and appliances that are not needed in any other class of work, and a class of labor specially skilled in the business.

2. A Government armor factory not connected with an establishment engaged in other branches of the steel industry would depend for its success and economic administration upon a constant demand for an output nearly approaching its full capacity.

3. If the Government should establish an armor factory the efficient and economic maintenance or working of that factory would necessarily depend upon a constant yearly appropriation for ships to be provided with armor, because the armor produced at any time must be specially designed for and fitted to those ships. Any failure to appropriate for such ships in any one year would require the cessation of work and the laying off, indefinitely, of the skilled experts and laborers that had been trained to this industry. A resumption of work at a later period would require the training, at a considerable expense, of a new set of men. In the meantime the progress of the art would perhaps have been such that difficult and radical changes would be required, which under continuous working might have been gradually and easily made.

Mr. President, in the face of these final assertions, made with full responsibility by men whose integrity and knowledge and expert technical knowledge are undisputed, we are met with reckless assertions of innuendo and of statements apparently made regardless of any careful consideration of facts.

Admiral O'Neil made a statement before the House Committee on Naval Affairs February 16, 1900, and I will, as much as I dislike to occupy the time of the Senate, read a brief extract from that statement. He said:

I do not think it is expedient for the Government to undertake the manufacture of armor for several reasons, which I will state, though I do not regard it as an impracticable undertaking.

The reasons against such a measure, in my opinion, are as follows: There are already in the United States two establishments fully equipped for the manufacture of armor, having adequate facilities to meet the probable requirements of the Government, possessing the expert knowledge and experience, and having at their disposal a skilled force of workmen.

At least one of these establishments was induced to take up the manufacture of armor at the solicitation of the Navy Department, and both concerns have invested large sums of money for plant for making armor, which is of but little value for any other purpose; and to willfully destroy this branch of their business by the creation of a Government factory seems unnecessary and unjust.

Practice and precedent are generally good guides, and the fact that nearly all the maritime nations to-day which build armored ships of war procure the armor therefrom from private works is strong presumptive evidence that such a course is preferable to undertaking the manufacture at Government works.

Take, for example, Great Britain, with her enormous and continuous shipbuilding programme. Nothing would seem easier or more natural than for the British Government to establish a factory and make its own armor, if any benefit were to be derived from so doing. Instead of doing so, however, it buys its armor from three private manufacturers at a considerable higher price than is paid by this Government, and urges them to increase their output and keeps them full of orders.

Can any Senator answer that statement, made with full official authority, that the English Government to-day continues in the policy of patronizing private concerns and is actually paying a higher price for armor than is being paid by the American Government?

Admiral O'Neil goes on to say that—

No one will question the fact that the English are a thoroughly practical people and are likely to be as fully alive to the necessity of exercising economy in the construction of naval vessels as any other nation.

The first cost of a Government armor factory would be large, and the annual cost of keeping it in repair would be quite large. Under the most favorable conditions it would require from two to three years to create such an establishment, and when completed the Government would be without the expert knowledge and experience now possessed by the private manufacturers, and would have to acquire both at a very considerable expense of time and money; and even after such a factory was in efficient working order its economy would depend on its being operated continuously and to its maximum capacity, in order that the expenses of maintenance and of manufacture might be prorated upon the greatest possible number of tons of output.

If the Government should make armor, it would not find out what it costs the private manufacturer to do so, who, as a rule, owns coal and iron mines and produces steel direct from the ore. The Government would merely find out what it costs the Government to make armor. It might be more or it might be less than it now costs to buy it; but any calculation made for the purpose of determining the cost when armor is made by the Government should take into consideration the interest charges at a reasonable figure on the money invested in plant and on a fair working capital.

In case of a suspension of work the deterioration would be very great. It is not likely that the manufacture of armor by the Government would be more to be desired as an economic measure than the building of ships.

Any suspension of the building of armored vessels would necessitate the closing of the works and the dispersion of the skilled operatives.

The prime requirements for making armor are the possession of an adequate plant and the experience necessary to do the work, to which must be added the necessary capital to carry on the business and a market for the manufactured articles.

It would probably take from two to three years to erect the plant, even supposing that there was an unlimited supply of money and that no unexpected delays occurred in procuring machinery or in the fulfillment of contracts for buildings and their accessories.

Of course, in the case of a suspension of the work the deterioration would begin at once. The Government would maintain its plant, and it would be necessary for the Government to have reached a full determination to keep on with the building of the Navy, at least to such an extent as would keep a four or five million dollar plant working all the time, and not shut down a third of the year, as the present two establishments are compelled to do by the uncertain course of the Government in its naval policy.

On the other hand, the possession of a Government armor factory might put an end to the vexed question of the cost and supply of armor, and until such question is disposed of it will be impracticable to satisfactorily carry on any building programme of armored vessels.

I know of no other reason for building an armor factory, unless it be one of sentiment or a desire to punish the present manufacturers because it is suspected that their profits on armor have been too large.

It is not likely that armor could or would be more cheaply produced by the Government than it could be bought, unless all consideration of interest on the value of the plant and on working capital is discarded.

If the Government should take up the manufacture of armor, it would probably also take up the manufacture of gun forgings and other kindred work.

All commercial interests would be opposed to a Government factory, and also all political ones except from the State or district in which such a factory was located.

There is a likelihood that such a factory would share the fate of the navy-yards, which are not permitted to build ships, though equipped for so doing, because of political and commercial influences, and because the cost of such work is said to be excessive.

Mr. President, I have referred to the question of salaries. It is a well-known fact that the salaries of men connected with private establishments are far in excess of any salaries that could possibly be paid by the Government; and in this connection reference can be made to the report of hearings before the Committee on Labor, House of Representatives, relative to H. R. 6882, limiting the hours of daily services of laborers, workmen, etc., wherein is given the testimony of Mr. Charles J. Harrah, president of the Midvale Steel Company, in Philadelphia, an establishment which I have no doubt would come into this field as a competitor had they some assurance of a definite, determined Government policy. This gentleman testified that he receives a salary of \$25,000 per year, and that the salary of his superintendent is \$18,000.

Furthermore, it is the general practice of all large establishments to present men of this character with stock in the concern as an incentive; so that in order to employ men sufficiently capable to manage a plant for the manufacture of armor, it would be necessary for the Government to pay extraordinary wages and salaries.

I know of no salary in the American Government of \$25,000 a year, unless it be that of the President of the United States; and I do not presume that it would ever be possible to get through this body or through the House of Representatives any bill providing such salaries, so as to secure the highest degree of talent to maintain the highest economies and efficiency for a Government armor-plate factory.

Mr. TILLMAN. Will the Senator permit me to ask him a question?

Mr. PENROSE. Yes.

Mr. TILLMAN. In reference to the time necessary to build an armor-plate factory, I have here the report of the Naval Committee in its investigation on this subject, and the witness was Mr. Andrew Carnegie. He said:

But when we did go into it I personally took up the matter with a partner, Mr. Lander. We visited the tool makers of Europe, contracted for tools nearly completed, paying a bonus to those entitled to get them. Three sets of men began work at our works, eight hours each, never stopping even Sundays or Sunday nights. We rushed everything, and in twelve months—No vember to November—after the contract was signed, we delivered the armor

Mr. HALE. Will the Senator allow me?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Maine?

Mr. PENROSE. Yes.

Mr. HALE. That was simply the extension of a great manufacturing steel establishment that had its grounds, that had its buildings, that had its workmen, that had its mechanics, and had everything to which could be added supplementary work in the nature of an armor plant. The Government, so far from being in that condition, is absolutely without one single thing to build upon; and if it would take the Carnegie establishment twelve months to add on an armor plant, it would take the Government, building from nothing, three or four years.

Mr. TILLMAN. It is largely a matter of opinion. I just simply give the testimony of Mr. Carnegie as to what can be done, and the Senate can determine whether or not it is a reasonable opinion.

Mr. PENROSE. The Senator from Maine has concisely and admirably stated the matter, and it is a full answer.

Mr. Carnegie can perhaps build such an establishment as explained, because he has every part of the business in a preeminent degree already in running order. He owns his own ships; he owns his own railroads, his own ore mines, and everything contributing directly or indirectly to the work; which the Government would have to purchase or create anew.

Who, with any expert knowledge on the subject, has ever recommended a Government armor plant? Admiral O'Neil says: "I do not think it is expedient for the Government to undertake the manufacture of armor for several reasons," which he gives, and I understand that the Secretary of the Navy agrees with the Chief of the Bureau of Ordnance. Is it proposed to force on the Navy Department a new undertaking involving a large expenditure—for the amount proposed in the committee's amendment will not begin to be all that will be required—against the Department's wishes and in opposition to its advice; and for what reason? Because it is assumed that the Government is charged more for armor than it should pay. Do those having knowledge of the subject say that the price proposed for Krupp armor for the United States is excessive?

Admiral O'Neil, on page 7 of Senate Document No. 10, gives the estimated value of the new material entering into an ingot for Krupp armor, over and above the material used in an ingot for Harvey armor. These new materials, which are entirely an extra charge, are estimated at \$33.17 per ton of plate. Admiral O'Neil further states that the remaining differences between the price charged for Krupp armor and that paid for Harvey armor—is claimed by the manufacturers to be a legitimate charge, due to decreased output; to losses in ingots and plates; to a greater number of processes necessary to produce Krupp plates; to extra cost of machining on account of the great hardness of the Krupp plates; to the cost of materials necessary to produce the deep, hard face which characterizes Krupp plates, and to interest charges on plant and working capital, which must be divided up on a less number of tons output, and further, that if they supply armor having greater resisting qualities than that heretofore possessed by plates of equal thickness, it is a better article, and hence is worth more money aside from its intrinsic value.

On page 17 of the printed testimony of Admiral O'Neil before the House Naval Committee, when questioned on this statement in Senate Document No. 10, Admiral O'Neil said:

The armor makers claim other charges—

Meaning those above mentioned.

It is a question not only of the cost of manufacture. I think their claims are legitimate.

By the Harvey process the depth of hard face obtained on plates of all thicknesses is only about three-fourths of an inch. Krupp plates, however, do not have the same depth of hard face for all thicknesses, varying from about 1 inch on thin plates to as much as 3 inches on the thicker plates. The method of accomplishing this very desirable result in the case of the Krupp plates has been the subject of long-continued and very expensive experiments by all of the armor manufacturers.

It is claimed that on an average the Krupp plate has 25 per cent more resistance than a Harvey plate of the same thickness. This enables the armor of a ship, particularly the thicker plates, to be reduced in thickness if Krupp armor is used, and the price paid for the same protection over the same protected area, in case Krupp armor is substituted for Harvey armor, would be nearly the same, exclusive of royalties in both cases.

The increased cost of Krupp plates over Harvey plates is further increased by the fact that the cost of machining, and other labor costs, are relatively greater for thinner plates than for thicker plates, while the price paid per ton, of course, is proportional to the weight or thickness of the plate.

On page 4684 of the CONGRESSIONAL RECORD of April 19, 1900, Mr. CUMMINGS, a member of the Committee on Naval Affairs of the House of Representatives, from the information obtained by his committee, made the following statement:

I know—it has been demonstrated before the committee by the naval authorities in a way that can not be revealed to the House—that if we pay \$545 per ton for this Krupp armor, we are getting it lower than any nation in Europe pays to-day for the same armor.

England has on the stocks under contract a vessel for the armor of which she pays \$587 per ton. The Cramps are building a Russian war vessel to-day for which Russia pays \$565 per ton for Krupp armor. They have built a vessel for Japan the armor of which cost \$575 per ton. The French are building a vessel for which \$905 a ton is being paid. And I have the assurance of one of the officers of the Navy Department, who has had the figures before him, that Japan has paid in one instance \$700 a ton for the same armor. The Krupps take out of the German Government nearly \$900 per ton for their armor. Now, Mr. Chairman, as long as the United States can obtain this Krupp armor cheaper than it can be obtained in Europe I am in favor of buying it until we even up on the Navy. Then I will talk to you about an armor-plate factory, if desirable.

I understand that the price Russia is paying for the Krupp armor for the battleship building at Cramps' works is \$575 per ton.

A Government armor plant would, of course, be expected to manufacture Krupp armor. Admiral O'Neil, in his printed testimony before the Committee on Naval Affairs, House of Representatives, page 11, says:

The question of royalty is not dwelt on, because the Krupp process is not, as I understand, covered by any patents, or at least only in part so. The Harvey Continental Company, which controls the process, imparts the necessary information in consideration of a fixed sum and a royalty of \$45 per ton. The sole rights to use the process in this country have been acquired by the Bethlehem and Carnegie companies—that is, the Harvey Continental Company will not impart the information to any other parties in the United States.

The average royalty is about \$50 per ton on the armor of a battleship.

If a Government armor factory were authorized, the Navy Department could not legitimately acquire the knowledge of this process in the way in which the armor manufacturers have acquired it, namely, by paying for it and by agreeing to pay a royalty on all armor manufactured under that process. Would it then be proposed to direct the Navy Department to acquire the necessary knowledge of this process by any other means?

Mr. President, I do not feel that it is necessary at this time, as I have spoken longer than I intended, to go into the character of the increased cost of the Krupp armor. Each item is stated distinctly and emphatically in Senate Document No. 10, and no attempt is made to deny or to explain; but Senators have merely indulged in general statements and general allegations.

What answer can be made to the statement of the Cramps in Philadelphia that they are building a vessel for the Russian Government equipped with an armor which cost \$575 per ton? No answer is attempted. What answer is made to the proposition that, even if we pay \$545 a ton for this Krupp armor, we are getting it lower than any nation in Europe pays to-day for the same armor? No attempt or effort is made to answer or explain.

A vessel has been built for Japan in Philadelphia the armor of which cost \$575 per ton. The French are building a vessel for which \$605 a ton is being paid for armor; and I have the assurance of one of the officers of the Navy Department, who had the figures before him, that Japan has paid in one instance \$700 a ton for this armor. The Krupps take out of the German Government nearly \$600 per ton for their armor. As long as the United States can get this Krupp armor cheaper than it can be obtained in Europe, would any sensible man contend with any consistency that we are paying an excessive price, especially when he comes to consider the whole history of armor manufactured in the United States? The whole gross receipts have only been about double the admitted investment in the plant; and the average of profit to those two concerns, with all the risks and speculation of the business involved, is a profit of about 6 per cent.

It is disputed whether the Government is in a position even to obtain the process for this new improved armor. It is declared by those who know something about the business, who are, in fact, experts in it, that the Government of the United States could not obtain the requisite knowledge of that process, such as would permit them to engage in the manufacture of armor.

Mr. President, I confess that I take a deep interest in this question. Many of these ships are built in the State which I represent; two armor plants are located there; but I have, over and above that, a deep-seated belief in the building up of the American Navy. I would be willing to submit to almost any sacrifice and go to almost any extent in order that the Navy of the United States may be entirely adequate for our needs, military and commercial, and be able to cope with any navy in the world.

I would like to see this question settled in some way. I am one of those convinced that it is not practicable for the Government to go into this form of commercial manufacture. I am one of those who believe it is not good for the Government and the country to attempt it, but that it should be left to private enterprises.

I feel satisfied that if the Government would adopt a line of policy for the Navy extending over the next seven, eight, or ten years, and let the iron and steel industries of the country feel assured that that would be acted upon, other competitors would come into this field. I am certain that the Government in this complication and disagreement is as much at fault, if any fault exists upon either side, as are the armor-plate manufacturers, because the Government has been vacillating and uncertain in its course.

I shall vote for any means which will settle this question, although I, of course, feel most favorably to the amendment which I have offered, and upon which in a short time I shall ask the vote of the Senate.

Mr. ELKINS. Mr. President, the amendment reported by the committee and the amendment offered by the Senator from South Carolina [Mr. TILLMAN] are the same in principle, and only differ in degree. I do not think that alternative legislation should ever be encouraged or resorted to. It is to be regretted that the very able Naval Committee have been unable to bring in some definite proposition on which the Senate could vote. The committee has brought in a proposition which is not only alternative, but a threat to the manufacturers of armor plate in the United States. I could have voted more intelligently had the committee itself come to a definite conclusion. It is difficult for a committee as able as is the Naval Committee to lead the Senate when there does not seem to be any definite conclusion on the part of the committee.

This amendment involves the expenditure of about \$15,000,000, and deals with the most important work the Government has in hand. Why is it that the Secretary of the Navy can not be entrusted with the expenditure of this amount of money? The Secretary of War spends vastly more than this amount. The Postmaster-General expends \$115,000,000 a year, and no restraint or limitation

of this character is put upon him; that is to say, there is no alternative proposition presented to him which in effect says, "If you can not get the mails carried for what you want, you must go into building cars or building railroads to transport the mails." Nothing of that kind is presented to him.

Mr. President, this armor-plate question is perennial. It comes up at every session of Congress. The Secretary of the Navy is an able man, honest, loyal, and true. The Executive of this Government can be trusted and ought to be trusted by Congress. The Secretary of the Navy has the ablest staff in the world to advise him. This is a technical and scientific question, and we laymen here do not understand it, and can not understand it. Why not leave it, then, like business men, to those who are learned and skilled and who have experience in such affairs, and have them decide it for us from the abundance of their wisdom and skill?

It is not possible that the Secretary of the Navy with his advisers would pay too much for armor plate. I do not believe it, Mr. President. I would trust to the knowledge of the Secretary of the Navy and the advice of his skillful assistants and staff much more than I would trust myself in the matter of armor plate and paying a proper price for it and what it is worth.

I think it right and proper that Congress should fix a limit to the price by saying that the Secretary of the Navy should not pay a sum exceeding this price. This does not mean that he is bound to pay the price named, but he is to exercise his judgment and discretion up to that price, and we should be satisfied with the exercise of this discretion if we really mean to increase the Navy, and I believe we should do so at once.

If a railroad is to be built or a river to be bridged or any engineering work to be done, even by the Senator from New Hampshire [Mr. CHANDLER], the Senator from South Carolina [Mr. TILLMAN], or the Senator from Virginia [Mr. DANIEL], they would not trust to their own knowledge or experience in such matters, but they would call in eminent engineers, and they would be governed by the advice of those engineers. But when it comes to appropriating money here to build up a navy and to purchase armor plate, the rules which obtain in the ordinary business transactions are set aside, and Senators are venturing here in the Senate of the United States their opinions upon the most technical and scientific question that can be raised. We have been told in this debate not only just how vessels should be built, but how naval battles should be fought, and how armor plate should be made and what it is worth.

Mr. CHANDLER. Mr. President—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from New Hampshire?

Mr. ELKINS. I do.

Mr. CHANDLER. Do I understand the Senator's view to be that we must not go into any details of legislation—

Mr. ELKINS. Not at all.

Mr. CHANDLER. And that, therefore, we ought to appropriate in this bill, say, \$70,000,000 to enable the Secretary of the Navy to increase the Navy?

Mr. ELKINS. While I do not believe that, I want to say to the Senator from New Hampshire that it would be far more intelligent, more logical, and more businesslike than the alternative proposition presented by the amendment of the committee.

Mr. President, the English Government intrusts all expenditures for its navy to the head of the naval department. It fixes definitely the amount each year to be expended on its navy, and leaves all details as to price and everything else to that department; and it has successfully built up, without scandal, the greatest navy in the world under this system.

That is the way the English Parliament legislates; but we say to the Secretary of the Navy, "You shall pay so much a ton for steel." We handicap him; we are not willing to trust him and trust his officers and advisers, those who have made a lifelong study of all such questions.

The Parliament of Great Britain names the amount each of the departments of Government may annually spend, never attempting to fix details, and then holds the ministers responsible for the expenditure of this money and results. Such a thing as alternative legislation and fixing details and prices is unknown.

The principle of this amendment would not be invoked in any private business, as I said before. What would be thought of calling the Senator from New Hampshire, the Senator from South Carolina, the Senator from Virginia, and other Senators around the table of a board of directors, and saying, "We are going to determine how this railroad shall be built, or how this factory shall be built, or how this steel mill is to be built; we are going to fix all details, name prices that should be paid for materials; and if they can not be bought for these prices, then we will build factories to make all materials?"

We are not going to have engineers to advise us. So much shall be paid for putting in a foundation, so much for piers, so much for bridges, and no more shall be paid; and so much for a cubic yard of stone that goes into one of these structures shall be paid

and no more, or so much per ton for steel. Mr. President, no business concern in the world adopts such methods. Business principles are the same whether individuals or the Government are concerned.

I am willing, for my part, to trust this subject where it belongs, to the Executive of the Government, and I am not afraid of any wrong or scandal resulting from doing so. I believe in the Executive Departments of the Government, in their ability and integrity.

Mr. TILLMAN. Mr. President—

Mr. HALE. Let me ask the Senator a question.

Mr. TILLMAN. Does the Senator from West Virginia think that President McKinley knows any more about it than the Senator does?

Mr. ELKINS. He does know more about it than I do.

Mr. TILLMAN. I agree with the Senator. [Laughter.] Certainly nobody knows any less.

Mr. ELKINS. He knows perhaps as much as the Senator from South Carolina, but the Senator, although a member of the Naval Committee, knows nothing about this question, and he has shown that he does not in the three days' debate which we have had here. [Laughter.] The Senator knows something about it, of course, in a general or historical way. He can talk about it volubly and entertainingly, but, Mr. President, if you called on him to build an armor-plate mill or a war vessel what would he know about it? What would he know about the cost of steel—the cost of armor plate? What would he know in regard to such questions that would be of value to anyone? Nothing in the world. He would be absolutely opaque and ignorant; and yet he is trying to lead the Senate in this matter—trying to instruct Senators as if he were an expert in building war vessels and fighting naval battles.

Mr. HALE. I want to ask the Senator a question.

Mr. ELKINS. The Senator from Maine, as chairman of the committee, has brought in an alternative proposition here.

Mr. HALE. I am afraid the Senator is going to help people who want to do worse things.

As I understand it, the Senator does not like this alternative proposition of the committee, which is \$445 a ton, or an armor plant. The Senator does not like that. What he does want is to leave it discretionary with the Secretary of the Navy to pay what he pleases, because he is at the head of the Department and can summon experts.

Now, let me suggest to the Senator that in antagonizing the proposition of the committee he is seeking to get something done for which he can not get any votes. The Senator will either get the proposition of the committee for \$445 a ton, giving a chance to these establishments to take it or he will get the reverse. I think there is force in what the Senator from Pennsylvania [Mr. PENROSE] has said, that if this chance is given, other plants will come in, like the Midvale Company, and they will all have a chance. If we do not get that, I will say to the Senator from West Virginia, you will get just the reverse; you will get an armor plant with a limitation of price that will not give the Secretary of the Navy a particle of discretion.

The Senator's proposition that we must leave this to the Secretary and let him bid what he pleases, if the record of the Senate on this subject in the past amounts to anything, will get no votes whatever; and the Senator will be contributing to a proposition that denies the Secretary any power and leaves the whole thing tied up to the long delays that inevitably attend the building of an armor plant.

I put that to the Senator as a business man. He does not look at things in a romantic way. He has been a distinguished and successful business man all his life, and he has had alternatives presented to him; and I venture to say many times he has made propositions in business to rival concerns and other parties, and he has sometimes said, "What will you give, or what will you take?" No doubt he has done that hundreds of times.

Things are adjusted in the business world and the political world by compromises, by propositions, counter propositions, and alternative propositions. When the Senator says he does not like alternative propositions, he is flying in the face of the situation which meets us. We have either got to put a proposition to these parties that is reasonable, or else we have got to build an armor plant.

Mr. ELKINS. Referring to my being a business man, I will reply to the Senator in this wise: If I had decided upon building a railroad bridge and had instructed the engineers to go forward with the work, I would not tell them, "If you can not buy steel for 8 cents a pound, put up a steel factory and manufacture steel." I would not do that. I think that is a full answer to that part of the argument of the Senator.

Mr. CHANDLER. May I ask the Senator whether he would not do that if he was going to expend probably \$80,000,000 in building bridges?

Mr. ELKINS. I would invite bids and give the contract to the lowest bidder, and if all bids were too high I would reject them.

I appreciate what the Senator from Maine says, that Senators are driven to one of these amendments, but the alternative proposition is illogical. The amendment of the committee is the better of the two, because it comes nearer to securing what we want. Under it we have better chances of securing armor plate without building an armor factory.

Mr. President, if I had my way about this bill, I would say to the Secretary of the Navy, "Purchase armor plate at a price not to exceed \$550 per ton." It does not follow when you put that into a legislative command to the Secretary of the Navy that he is going to rush in and pay that \$550.

Mr. CHANDLER. Why not?

Mr. ELKINS. The Secretary of the Navy does not do that. He will investigate, and if he finds that the price named is an exorbitant price, that it is unjust, and that it is outrageous and oppressive, he will exercise his discretion, refuse to purchase, and refer the matter back to Congress, and ask Congress for instruction.

Mr. TILLMAN. Mr. President—

Mr. ELKINS. I want to say another thing. I would do just as is done in all other business transactions. I would invite bids from all the makers of armor plate in the country and then decide. If the bids were too high, I would reject them; and if I found armor plate could not be purchased for a reasonable price, I might recommend the building of a factory, but I would have no alternative. Why this trouble and confusion about armor plate when we do not have any such thing in any other Department of the Government? When we appropriate \$33,000,000 for the transportation of the mails this question does not arise.

Mr. TILLMAN. Mr. President, the Senator says that when the Secretary of the Navy advertised and did not get any prices below the \$550 limit, which the Senator would put on, he would investigate and discover that was too much, and then he would try to get the armor manufacturers to come down in the price; and if they did not, he would report back to Congress. That is precisely what Secretary Herbert did. He reported that the cost was \$300, and he allowed 50 per cent profit, which made it run up to \$400, which he thought was more than liberal.

Mr. ELKINS. What is the objection to that?

Mr. TILLMAN. The trouble is that the Senator wants us to travel in a circle like a cat following its own tail, and I am sick and tired of following that programme.

Mr. ELKINS. We do not adopt this method or the principle contended for here in the other Departments of the Government or in any other business of the Government.

Mr. TILLMAN. Another thing, if the Senator will permit me. It is confessed we are met with a combination here, and I can show to the Senator if he will read the testimony—he talks about my knowing nothing about this matter—that the witnesses for Carnegie who appeared before the Naval Committee acknowledged that these armor establishments did not compete with each other; that they simply met and agreed as to how much they would charge the Government, and they then say "You can not get the armor anywhere else, and you must pay us that price or stop building ships."

Mr. ELKINS. The Secretary of the Navy will not pay any price which he thinks exorbitant; and he has the best men in the world, as I have said, to advise him whether the price is exorbitant. A Senator of the United States knows but little about such matters; he does not understand them, and he can not understand them. I confess to the profoundest ignorance myself upon the subject. The question is too scientific, too technical, to be determined except by technical and scientific men.

Mr. PENROSE. I hope the Senator does not want to characterize the whole of the Senate in that way.

Mr. ELKINS. Not at all. In building an armor-plate factory the Government would run great risks, besides violating correct principles and methods. By new inventions and improved methods armor plate might be discarded and the Government would have on hand a useless establishment at great cost. The Government would be confronted with using patents and many other difficulties.

Mr. PERKINS. Mr. President, I have so much respect for the excellent business judgment of my friend from West Virginia, knowing that he has occupied one of the very highest responsible positions in the gift of this Government when he was the Secretary of War and had the annual distribution of \$50,000,000, I want him to state some particular instance for the improvement of some river or harbor when a sum of money, you may say \$100,000, was appropriated for such a purpose, or so much thereof as may be necessary—if there is a single instance which the Senator can call to mind where that full amount was not expended?

I will make a home illustration of West Virginia. We made an appropriation for a public building in the Senator's State a few weeks since and another one for a fish hatchery. We specified that a certain sum of money, or so much thereof as might be necessary for the purpose, should be expended. I want the Senator to state to us—and I ask the question for information—if there has

ever been an instance that he knows of where the full amount asked for and appropriated has not been expended for the purpose for which it was intended?

So it would be here. If there were no limitation placed upon the Secretary, the amount expended would not be one farthing less than the amount named. So your Committee on Naval Affairs in considering this question fixed a maximum figure, that we believed would pay these companies a high profit upon the manufacture and a large interest upon the investment. I believe that is a wise and judicious amendment, and I am surprised that my very able and public-spirited friend should take issue with the committee upon so wise and judicious an amendment as I believe this to be.

Mr. ELKINS. Mr. President, if the Senator desires information, I will say if he will take the appropriations in the last river and harbor bill, contracts provided for therein were secured at about 20 per cent reduction of the amount appropriated, with a saving to the Government this year of about \$4,000,000 over the appropriation. There was discretion lodged in the Secretary of War, who advertised for the work and secured contracts for 20 to 25 per cent under the amounts appropriated.

It is no new thing for Congress to appropriate more money than is needed for a particular object. Sometimes Congress does not appropriate enough. Because Congress appropriates a given sum for a particular purpose it does not follow that the whole appropriation must be expended.

But, Mr. President, I am talking of a principle here. I know nothing about armor plate nor its value nor the profits in making it. I can not take time to try to understand it. I do not know whether I would be able to understand it if I should study it for years.

Fortunately we have able, honest, and experienced officers who have made the subject a life study, and I believe they should decide what armor plate is worth and Congress should be governed by their decision. Therefore I am willing to remit the matter to the decision of those who do understand it. I do not, however, propose an absolute and unqualified appropriation without discretion, although I say that is better than alternative legislation.

It is to be regretted that the Naval Committee could not come to the Senate with something definite. We always like to follow that committee—I do—and I am going to vote for the amendment of the committee because, as the distinguished chairman of the committee says, I have no other alternative. I can not vote for anything else. I can not vote for my own proposition, so I am willing to follow the committee. I will state again, however, that I would infinitely prefer the appropriation of not to exceed \$550 per ton for armor plate and leave the responsibility upon the Secretary of the Navy, to whom it belongs, to decide whether this amount should be paid or a less sum. I am willing to trust the Secretary of the Navy and our naval officers. I believe in them, and am willing to abide by their judgment and what is best to be done in all matters pertaining to the building up of our Navy. I am opposed to the Government building, owning, and operating factories to build armor plate. This is the beginning of paternalism that has no end, and from which a thousand evils would follow.

Mr. TELLER. Mr. President, I want to ask the chairman of the committee what would be the amount paid for this armor plate under the bill as it came to us from the House of Representatives if no amendment at all were made to it?

Mr. HALE. If the Senator will look at the bottom of page 64 and at the top of page 65, he will find there the appropriation in the House bill, which is struck out by the amendment reported by the Senate committee. That was not the proposition originally reported in the House, but the effect of it is—

Provided, That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for the battle ships Maine, Ohio, and Missouri, authorized by the act of May 4, 1898.

The bill as it came to us only authorized the procuring of armor for those three ships without limitation. The other provisions which were embodied in the report of the House committee were struck out in the House mainly upon a point of order. The statute of last year, which was there determined to be permanent, fixing the limit of \$300 per ton for armor remained, and the ruling of the Chair was that any amendment or any proposition which repealed that was general legislation. Therefore it was ruled out on the point of order, so that nothing came from the House except the armoring of three ships at the discretion of the Secretary of the Navy.

Mr. TELLER. And he could not pay more than \$300 per ton for armor.

Mr. TILLMAN. He could pay anything.

Mr. TELLER. The proviso reads:

Provided, That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for the battle ships Maine, Ohio, and Missouri, authorized by the act of May 4, 1898.

I want to know whether the provision of that act limiting it to

\$300 would bind him to buy at \$300, or whether he had unlimited power? I do not know.

Mr. HALE. I think that provision would be construed as giving discretion.

Mr. TELLER. To pay more?

Mr. HALE. To pay more.

Mr. TELLER. What is the price these people have insisted they must have—\$545?

Mr. HALE. Five hundred and forty-five dollars.

Mr. TELLER. Do they decline to sell for any less?

Mr. HALE. They have not, in terms. One of the documents that I have put in the case shows the correspondence. They have declined absolutely to furnish for \$300 under the law. Then, when the Department has suggested to them that, in view of the large programme for ships, which involves a great deal of armor, the contractors could afford to bid less than \$545, the reply has been that under those conditions they will consider the question of a lower amount than \$545. I think it is rather on that suggestion that the idea was embodied in form, first by Mr. VANDIVER in the House, of fixing a lower price than \$545 and leaving it alternatively—that is, if they do not choose, in consideration of this large amount of armor to go on ships which have already been provided for, to take a reasonable price below, which they have not yet denied they will take, then we will build an armor plant.

That is the reason why the Senate committee reported this amendment, believing, on all the correspondence, that there will be competition among these manufacturing plants—the Bethlehem, the Carnegie, and the Midvale, which is ready to come in, and I believe will come in. I believe there will be competition between the Carnegie and the Bethlehem plants and the Midvale plant, which is a great plant and ready to come in, and that we shall get the armor at \$445, or a little less than that in competition, and from plants that can manufacture it.

Mr. TELLER. Then I understand the proposition now of the committee is that—

Mr. TILLMAN. We are discussing the amendment offered by the Senator from Pennsylvania.

Mr. HALE. That is first.

Mr. TELLER. I am speaking now of the committee's proposition.

Mr. TILLMAN. I know.

Mr. TELLER. Without any reference to the proposition to amend it. It is that we contract for all of the ships we have in process of building and all we are authorizing to build in this bill at \$445 a ton.

Mr. HALE. Yes.

Mr. TELLER. If they accept that for the entire lot, then that is the end of the business. If they insist upon having \$545 a ton for the armor for three ships—

Mr. HALE. Yes; if they decline the \$445.

Mr. TELLER. If they decline the \$445, then the Secretary will buy for three ships at \$545, and then we will wait for the rest until we build a plant.

Mr. TILLMAN. I wish to call the Senator's attention to the fact, in connection with the contract which the Senator from Maine is so sanguine of obtaining, to make the 13,000 tons of armor at \$445, that the contract will be made, no doubt; the armor people will come forward and accept that.

Mr. TELLER. At \$445?

Mr. TILLMAN. They will make the contract with the Government, and they will immediately set about to discover some better armor than the Krupp, just as they discovered a better armor than the Harvey. We brought them down from \$550 some years ago to \$400 for Harvey armor, and then they went on and discovered the Krupp process to get back to the \$550.

Mr. PENROSE. I understand that the Krupp process was discovered in Europe.

Mr. TILLMAN. This is an international trust. That is known of all men who have studied the question.

Mr. PENROSE. An international conspiracy!

Mr. HALE. What basis, except mere naked, bald suspicion, has the Senator for assuming anything of the kind. Here we have been going on for a dozen years, getting armor from these establishments, and there never has been any trick of this kind.

Mr. TILLMAN. I can only judge the future by the past.

Mr. HALE. There is not another branch of human industry that I know of or of which the Senator knows wherein there have not been more variations and more advances and more changes than in armor plate. It has been singularly conservative. There was the Harvey process, which was a straight, clean—

Mr. TILLMAN. That was preceded by the compound, and that was preceded by the plain steel armor.

Mr. HALE. Oh, that was years and years ago; but for twelve years there has been nothing but Harvey armor, and now this single improvement on that. These improvements are not put in—

Mr. TILLMAN. The Harvey armor was only introduced here about seven or six years ago.

Mr. HALE. The Harvey armor, the nickel plate, was introduced here ten years ago. I do not know but that it was more than that.

Mr. TILLMAN. The Harvey process of hardening the nickel steel came up six years ago.

Mr. HALE. It is more than that, and there has been only one improvement on that. Of course the Senator has a right to have his suspicions, but I do not think he ought to say that after you have made a contract for the best armor—

Mr. TILLMAN. I give my suspicions, based on our experience.

Mr. HALE. They would resort to some device. Supposing they did, and the contract had been made?

Mr. TILLMAN. Immediately my friend from Maine and his friends here would all shout, "We can not afford to intrust the lives of the American sailors behind anything but the best." I would agree with him, except I would be very much in doubt whether there was anything better than we had now or better than we had when we got the Harvey armor.

Mr. PERKINS. If it is 25 per cent better quality, why should we not have it?

Mr. TILLMAN. You do not know that.

Mr. PERKINS. We have the testimony.

Mr. TILLMAN. You believe it; I do not. That is all there is to it.

Mr. PERKINS. We have the unimpeached testimony of naval experts.

Mr. TILLMAN. A soft-nosed shell went through both, and therefore we do not know.

Mr. TELLER. I do not understand that the committee has agreed on anything except the fact that \$545 is too much. I believe they have all agreed on that. I do not know whether they all agree that \$445 is reasonable, but I understand—

Mr. PENROSE. Will the Senator permit me for a moment on that point?

Mr. TELLER. Yes; I will hear what the Senator has to say.

Mr. PENROSE. I emphatically, as a member of the Committee on Naval Affairs, have not reached that conclusion. In reference to the statement made by the Senator from Maine as to the possibility that a lower price will be taken, I call the attention of the Senate to the correspondence on pages 11 and 12 of Senate Document No. 10. Admiral O'Neil addressed a communication to the armor people asking whether they would accept a lower price, and he received a reply stating that under no circumstances would they accept a lower price for the armor.

Mr. TELLER. Than \$545?

Mr. TILLMAN. Right here, if the Senator from Colorado will permit me, that very same concern expressly and emphatically—and they almost took an oath to it—said they would not take \$400 for Harvey armor, and yet they did it. Who can trust those people?

Mr. PENROSE. If the Senator from South Carolina continues to make these reckless and irresponsible assertions, I think he had better offer a resolution giving the Committee on Naval Affairs power to subpoena witnesses and let us investigate the full force of this great conspiracy.

Mr. TILLMAN. That letter is on record among the communications we have received from those people.

Mr. PENROSE. I should like the Senator, instead of making mere statements, to present facts.

Mr. TELLER. I do not want to waste the time of the Senate or to allow anybody else to do so very much. I wanted to find out just what the policy of the committee was, if I could, but I do not think I can. I do not think the committee has very much policy, except this temporary one, what the Senator from West Virginia called the alternative, a trading scheme.

We have had this question before the Senate for the last five years. I have sat here and listened to this debate for five years. We have been going over just exactly what we have gone over before, except reference was made rather briefly to frauds committed. We have had it all up, and we are going to have it up, in my judgment, until the Government of the United States settles it by building a plant.

We have to buy now 35,159 tons of armor, according to this statement made by Admiral O'Neil to the chairman of the committee the other day, which was read to us day before yesterday. The Senator from Massachusetts told us to-day that we were going to build a navy as big as that of Great Britain. I do not know how many thousands and thousands of tons we have got to put on ships if we do that, although I should have some doubt whether we are going to build such a navy. But nobody believes that with the 35,159 tons we are going to stop building. Now, are we going, every time we make a contract, to have this controversy with these companies? Undoubtedly we will unless we are prepared, which we are not, to go on and give these people a contract for all time, that whenever we build a ship we will take their armor plate at this figure, whatever we may settle on.

Mr. HALE. That is a part of the committee's programme, that it hopes its proposition will settle this matter; that the \$445 basis

for the best armor, which is to-day the Krupp armor, which is a hundred dollars less than these establishments demand, and which is thirty-two or thirty-three dollars more than we have paid for the Harvey armor, and which is therein a compromise between the two, will be found to work so well that it will end this controversy. I believe that hereafter, with other establishments coming in, the Government will never have to pay more than \$445 for its armor. But of course nobody can tell what will happen in the future. We thought, looking at everything, looking at the situation upon the one side or the other, that that was the wisest thing to do.

The Senator sees how this is situated. It does not suit the people who want an armor plant anyway. It does not suit the Senator from Pennsylvania, who has so ably and eloquently maintained the cause of his constituents. It does not suit either side, and, as I said the other day, we may be ground between the upper and the nether millstone. I do not know of many things that have ever been accomplished in legislation that have not been done in just this spirit of compromise. Therein you get a middle line that proves to be the practical line. If the committee has not done that, it has failed. We think we have, and are hopeful for the future.

Mr. TELLER. I can not quite share in the enthusiasm of the Senator for a settlement of this controversy. I do not believe it will come with this bill. I believe it will come whenever the Government of the United States is in position to make its own armor.

I do not say that the Government of the United States ought to make its armor. I do not want the Government of the United States to do those things which private institutions can do better or just as well, if they will do it fairly; but as has been stated, we make a good many things. We make our own guns. Our small arms we build entirely. We finish our big guns. If we do not build battle ships at the yards, we repair them, and build smaller vessels that we need for Government use. I do not myself consider that paternalism in any sense. I think that is a very different thing from paternalism, which would, I suppose, be the Government making shoes and other articles and selling them for a profit, or perhaps if the Government went into the making of ships and selling them it might be regarded as paternalism. But there is nothing in this that smacks of paternalism any more than running the Post-Office or maintaining peace with the Army or anything else. This is one of the agencies that the Government has with which to perform its functions. That is all there is of it.

Mr. PERKINS. I dislike to interrupt the Senator from Colorado, but I want some information upon one point, and, knowing that he has given much thought to it, I wish to ask him on what he bases his line of thought and reasoning? Russia to-day has an armor-plate factory belonging to the Government, and yet she is paying \$600 a ton for her armor plate. France has an armor-plate factory, and she is paying \$600 a ton.

Mr. HALE. To private establishments.

Mr. PERKINS. To private establishments. Japan is building one, but not in operation yet, it is true. The German Government has one.

Mr. TELLER. That is a good precedent for us.

Mr. PERKINS. We are paying here \$445. They have their own armor plant, which is lying idle, and they are paying \$600. So is Great Britain. She has six or seven different private factories, I think.

Mr. TELLER. We do not know yet whether we are to pay \$445 or not. Suppose we do. Then we do not build a plant. If there is any principle in the theory that the Government ought not to be manufacturing armor plate, it does not make any difference what the Government pays, and if it is sure that the Government can not make it any cheaper than \$545, we might as well pay it. I am of the opinion that the Government can make the armor plate just as cheaply as anybody else. There has been proof that it can be made for very much less than \$300. We know certainly that these concerns have sold it for \$50 less than that.

Mr. PERKINS. That is without royalty.

Mr. TELLER. The royalty is not very much, except the Krupp royalty.

Mr. TILLMAN. They sold it to the Russian Government for \$240. That started the investigation.

Mr. TELLER. Two hundred and forty dollars; \$60 less.

So far as I am concerned, I believe in giving these people a fair profit. We gave them an enormous profit until such time as they got their money back, as is shown by the statement of the late Secretary of the Navy, Mr. Herbert. When they got their money back and had a fair profit on what they had done, they ought to have come down to a reasonable price. I do not say they ought to have sold us the armor as cheaply as the Government can build it, because the Government would build it without any profit. They are entitled to a profit; but if they can sell it abroad for \$240, they certainly can manufacture here for less than \$445 with a profit.

Now, if we are to go on for many years and build a great many

ships, which I suppose we are to do, and to which I am not objecting, for I think we have to make provision for what may happen in the future, it seems to me the wisest thing for the Government to do is to build a good big plant of its own. If it is found when we build it that these folks can make armor cheaper than we can, we can close the plant and let them make the armor; but I do not believe that will happen. It is said we can not get laborers. We have the most experienced men in the navy-yard here that there are in the world, and as skillful as any that can be found in any private establishment on this continent. We can take them away from any of those establishments. The Government can afford to pay as much as they can and get the best men.

Mr. HALE. The Senator, I have no doubt, is convinced of what he is stating.

Mr. TELLER. Oh, yes; but I may be wrong.

Mr. HALE. The Senator is wrong. This is occurring every day. The best and brightest men in the employ of the Government upon any form of machinery in any of the departments of the Navy are being constantly taken away by private establishments that pay more than the Government does. It is so in the Ordnance Department. The last talk I had with Admiral Hichborn, at the head of the great construction department, he told me that the thing which crippled him most was that his best men, the men who could manage large affairs in the construction of ships, were all the time being taken away by private establishments, who paid twice as much as the Government ever paid. We pay no salaries of ten or fifteen thousand dollars a year. There is not one of these private establishments that does not have from one to half a dozen men whom they are paying from ten to fifteen and twenty thousand dollars. So the Senator is wrong when he says that we have, and can afford to pay, the best talent in the Government establishments. That is one of the troubles we would have with an armor plant.

Mr. TELLER. We certainly can afford it. I do not mean to say that we are paying such salaries, but we can afford to do it. That is certain.

Mr. HALE. The Senator knows we do not.

Mr. TELLER. We shall do it if we can not get the kind of labor we want.

Mr. HALE. Our scale of salaries has never been up to that of private establishments, and never in the Senator's day or mine will it be.

Mr. TELLER. That is a question.

Mr. HALE. The Senator understands that.

Mr. TELLER. That is a question for the future. You can not tell about that. I know that sometimes the very best men we have had in the public service have left it for private service.

Mr. HALE. Because they got more pay.

Mr. TELLER. I know there has not been very much encouragement by this Government to men of that class. We do not do what they do in Europe—recognize the merit of people in these affairs. We have a fixed salary for our Army officers and our Navy officers. We pay, perhaps, as a rule all that we ought to pay. I do not know; sometimes I think we pay more.

Mr. HALE. We do in some cases.

Mr. TELLER. When any Department of this Government will load shells with smokeless powder to fire at the enemy and then fire them with smoke powder, so that the gunner can not see where the shell lodges or bursts, but the enemy against whom he sends it can see exactly where it comes from—I do not think we ought to pay that class of public servants any more money than we are paying them now. That is what occurred in the late war. Shells loaded here in the city of Washington were sent to Porto Rico containing smokeless powder, and no shell ought ever to be loaded with smokeless powder unless the Government is short of everything else, because the gunner wants to know where the shell drops, and no projectile ought to have been fired with smoke powder, which was done. They had reversed the order. Then that board comes in here and tells us that they are the judges and we ought to yield to their superior judgment on every question. I do not believe it. I can get more information out of a citizen in private life in ten minutes than I have ever been able to get out of one of these Government officers—

Mr. ALLISON. In a half hour.

Mr. TELLER. Well, a half hour; yes, in an hour. We occasionally get them before committees, and sometimes—I will not say when—it is absolutely pitiful, the ignorance they display. They are self-assertive; they profess to know, when they actually know nothing, and when even a layman can put them out of countenance by a suggestion occasionally. I do not know whether we can get the right kind of men, but if we do not, it will be the fault of Congress that it does not pay enough to get the right kind of men.

Mr. HALE. The Senator is arguing our side of the case.

Mr. TELLER. I want to see the Government of the United States have a plant, and I want to see the Government of the United States accept ideas from some of these people who have

got them, and put them in practice. I think very likely we can find and make a better armor plate than is now made. I am satisfied that there are civil engineers in this country who can make a better gun than we have to-day, infinitely better; but they have no earthly show with the Ordnance Department, in my opinion, and Congress, of course, is too busy to listen to anybody or to consider any scheme, and so we go. But I think if we had a plant where technical skill would be recognized, perhaps it would change the whole condition of things with reference to this matter.

Mr. HALE. This plant would be in the hands, not only in the building but in the operating, of the very Ordnance Department that the Senator finds fault with. He is arguing our case. That is what we say. There are these infirmities in these old hide-bound departments. They can not equal private establishments. You start a Government armor plant, built by this same Ordnance Department which suppresses inventors and everything of that kind, and you have the same trouble that you have with everything else.

Mr. TELLER. We build that armor plant—

Mr. HALE. Who is going to build it?

Mr. TELLER. The Government will build it. I presume that these people know enough to build it.

Mr. HALE. The Ordnance Department will build it.

Mr. TELLER. We probably will have sense enough—we have not had, up to the present time—to change the Ordnance Department. I have been trying to do that for ten years. I have been trying to get into the Ordnance Department, and I have had bills here for that purpose, a class of men that I know exist in this country, who are capable of doing anything that any civil engineer in the world is; but you can not get one of them put in there. If you would put one good engineer in there—you ought to put in a half dozen—it would change the whole tenor of things in the War Department. That is one of the things I have been hoping would happen when this got in. I know that the Ordnance board will prove their inability to manage anything; they have proved that for years; but when we come to manufacture plates of this character, I imagine there will be a feeling that at least, as the Senator says, we ought to put our sailors behind the best plate there is; and if anybody can demonstrate that he can make a better one, we are going to take that, no matter whether we have a plant or not.

One thing certainly will happen if we have an armor plant. We will stop this everlasting discussion that comes on every year and this quarrel with these people. We will stop the spectacle of the Government of the United States going into the markets as a negotiator. "How much will you take?" They say, "So much." "We will not give you that. We will give you so much." That is beneath the dignity of the Government of the United States. They should say to these people, "We will make a contract with you at a figure we think right. If you do not take that, we are going to build a plant and operate it ourselves." We know now, at least everybody says, they will not take what we think is right.

They are going to hold up this Government, to insist upon a profit that is unreasonable, and that we ought not to submit to. That we know already; everybody says that, except the Senator from Pennsylvania. I will except him. I wish to get rid of all this. I am reluctant to vote against the committee, because I know the committee are pretty strong and have given a good deal of attention to the matter, but as the committee are divided and gentlemen on the committee who have had great experience in these affairs differ, I feel that I should follow my own judgment somewhat and see if we can not get a plant.

Mr. ALLISON. Mr. President, like the Senator from Colorado, I have listened to this debate thus far as carefully as I could, being interrupted occasionally by other matters. If I could listen to it for a day or two longer, with a full Senate, as we generally have had during the debate, I would probably be able to make up my mind fully. But if a vote is taken this afternoon, as I hope it will be, I intend to vote to sustain the report of the majority of the committee, and I want to see now before that vote is taken whether I understand the situation as respects this question.

As I understand it, the House of Representatives in sending us this bill has provided for armor for three ships, and three ships only, and they propose to place it in the power of the Secretary of the Navy to contract for armor without limitation except in two respects. The first is that the armor shall be made in the United States. We are not to buy it anywhere else. If it could be bought at a dollar a ton elsewhere, we must buy it here. Secondly, we must buy the very best armor that is known to experts.

Mr. TELLER. On that point it seems that we all agree.

Mr. ALLISON. It seems that we all agree that we ought to buy the best. Unfortunately, some of those who have addressed the Senate do not agree as to which is the best.

Of course I have not given as much attention to this question recently as have other gentlemen who have spoken, but unless I am absolutely mistaken in everything that I see about me and

around me, Krupp armor, taken all in all, is 25 per cent better than the harveyized armor. I do not believe there is difference enough of opinion on that subject to create even a doubt in my mind. It is disclosed in all these papers, from the experience and observation and reports of all the experts, that Krupp armor, with about 25 per cent less weight has the same impenetrability that harveyized armor has with 25 per cent more weight. Now, if that be true and if it be also true that we must take care not to overweight our ships, in that respect surely there is a great advantage in favor of Krupp armor.

Mr. TELLER. Decidedly.

Mr. ALLISON. Decidedly.

Mr. TELLER. Immensely.

Mr. ALLISON. Immensely. There is another reason why I think Krupp armor must be the best. Every expert the world around, so far as I have been able to discover, has found that the Krupp armor is 25 per cent the best, and everywhere and on all hands all governments use Krupp armor now. So that may be taken for granted. Now, the process whereby Krupp armor can be created is a secret process. Is there any doubt about that?

Mr. TILLMAN. Mr. President, the facts are just the reverse.

Mr. ALLISON. Then I shall be glad to have pointed out to me why it is the reverse. As I understand it, the method of manufacturing Krupp armor is a secret process. I know that some of our naval officers say that they have penetrated this armor and the method of its manufacture in such a way as that they know something about it. They know its component parts, the ingredients that enter into it, which I find here in Document No. 10, showing that as compared with the Harvey armor it costs about \$35 per ton more to manufacture it. But who is there in our Navy or in our country outside of the people who pay \$45 per ton who has the expert knowledge that is necessary to inject the various materials into iron ore and convert it into an armor plate with the impenetrability of Krupp armor?

Does anybody pretend to say that this art, which has taken scientific men years to provide, is a work that can be done without that same expert knowledge acquired somewhere? If our naval officers can acquire it, they must acquire it in one of three ways. They must themselves, by experiment or by invention, discover the method of applying the various component parts, or they must steal it from the man whose brains and genius did invent it, without giving him any compensation for his brain work, or they must pay for it, as we are required to pay now, and do pay, every day for the inventions of our inventors when we use the inventions which are the product of their brains.

Therefore, Mr. President, when we take into account a Government armor factory we must take into account the fact that when we have created it we shall have created a machine which will produce the Krupp invention, or something equivalent to it or better than it. My judgment has always been against the Government undertaking the manufacture of armor, and that is my judgment now. This is no new question. We have had it over and over again; not only in the Navy, but we have had it in the Army. Those of us who were here ten or fifteen years ago remember well the debates we then had in regard to the policy of building our coast defenses by means of Government factories alone. We sent out a commission of experts, to which were added one or two Senators, I believe, and a member of the House of Representatives. General HAWLEY was the chairman of that commission, and they made a report to us in 1886.

General HAWLEY, with his clear head and fine power of expression, then convinced me that it was not a wise thing for the Government of the United States to enter into the project of creating the forgings which should build up the great guns which are now being put in place year by year at the cost of millions upon millions of dollars; that the question of these forgings (and an armor plate is nothing but a forging) ought to be left to private skill and private workmanship; that the Government of the United States could assemble the forgings in Government factories, but that the forgings should be in the hands of private parties and not in the hands of the Government. On that conclusion we have acted from that time to this.

Mr. SULLIVAN. Mr. President—

Mr. ALLISON. We have appropriated a few thousand dollars now and then to procure a particular gun, including the forgings, but aside from that all the forgings for our great seacoasts are now, have been in the past, and will be in the future built up, not by the Government, but by private parties.

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. ALLISON. I do.

Mr. SULLIVAN. I wish to ask the Senator a question. Does the Senator believe that it is wise for us now to refuse to permit the Government, if in the wisdom of the Secretary of the Navy he deems it proper, to establish a plant when by such a refusal we commit the Government to the proposition that we are compelled

to accept the terms of these two trusts whether or no? Does the Senator think that is wise? Is it not wiser to fix a limit within which we shall buy armor, and then provide that if they do not sell it within that limit we shall build a plant?

Mr. ALLISON. As to that question, I think, if the Senator had waited a few moments I would have answered him probably without the inquiry. I am now speaking historically as to a branch of national defense which is perhaps not as important in the long years that are to come as is our national defense by means of iron-clad ships or vessels such as are provided for here. But I call attention to the fact that we are building up now our seacoast defense by means of purchasing the forgings. We are purchasing the forgings, and we have a plant at our navy-yards and a plant at Watervliet, both of which plants are engaged in assembling the guns, not in making them. For the critical and necessary skill which provides for the guns as respects the material which enters into them we rely upon private establishments. As to the nice question of boring and other things of that character, that is done of course at our gun factories, one in the city of Washington and the other at Watervliet. Are there any others? I believe those are the only two.

Mr. HAWLEY. There is no other finishing establishment.

Mr. ALLISON. There is no other finishing establishment. Now, what do we pay for that material? What has the Government been paying? We began by paying as high as 28 and 30 cents a pound for those forgings. Why? It was because they had to be tempered, heated, and rolled in such a way as to resist the force and power of the shot or shell that was to go into them. We began by paying 28 cents a pound, and we have paid in the last five or six years 22 cents a pound. I think that is the lowest we have paid. Very recently we paid as high as 24 cents, or at the rate of \$500 a ton, for these forgings and plates, because they are nothing else but the same kind of plates that are involved in the sheathing of the ships, although they may run them through a different process.

Mr. CHANDLER. Will the Senator allow me?

Mr. ALLISON. Certainly.

Mr. CHANDLER. Is he prepared to state that the armor plate which we put upon our ships is the same quality of steel of which we make our built-up guns?

Mr. ALLISON. I am not stating that. I am only stating now the policy of the Government as respects this one question, showing that in regard to our Army we have adopted a different policy from what is proposed here. Now, the Naval Committee, so far as I have listened to its members in this debate, with the exception of the Senator from Pennsylvania, agree upon one thing, and that is, if a satisfactory price can not be procured for the manufacture of the best armor, and in the United States, we shall enter upon the experiment of making this plate ourselves.

Mr. TILLMAN. Will the Senator allow me?

Mr. ALLISON. I understand that to be the policy of the committee, with the exception of the Senator from Pennsylvania.

Mr. TILLMAN. The policy of the committee, as shown by the attitude of the majority of the committee, is that they do not want an armor factory if we can get armor at \$445 a ton.

Mr. ALLISON. I understand it.

Mr. TILLMAN. The minority want an armor factory in any event, because they do not see any other way out of this continual—

Mr. ALLISON. I understand. That is a shade of difference which perhaps I would have stated later. They all agree, then, upon a Government plant in a certain contingency, because certainly the Senator from South Carolina will agree, if he can not get his proposition, to the proposition of the majority of the Naval Committee. Am I not right in that?

Mr. TILLMAN. The difference, if the Senator will allow me, is this—

Mr. ALLISON. I know the difference; I understand it; but I will yield to the Senator.

Mr. TILLMAN. According to all the information we have been able to obtain (and we have searched this thing to the bottom and gone into it exhaustively) the cost of the armor does not exceed \$250 a ton. Now, the question as to what we shall pay out as profit is, of course, one of governmental policy. The majority of the committee want to pay \$145 a ton above the \$300 which we have agreed upon as being a reasonable and fair price.

Mr. SULLIVAN. Will the Senator please tell me at what price this armor was furnished to the Russian Government?

Mr. TILLMAN. Two hundred and forty dollars.

Mr. ALLISON. I have heard that story of the Russian Government a good many times. That is a single instance, I believe. It is very curious—

Mr. TILLMAN. The majority of the committee do not want an armor factory. The minority do not believe that we can ever get any relief from this grinding monopoly until we do get one. The whole struggle here is to put the monopoly at the mercy of

the Government instead of leaving the Government at the mercy of the monopoly.

Mr. ALLISON. I understand that that is the Senator's understanding of the contention here.

Mr. TILLMAN. Mr. President—

Mr. ALLISON. But that is not my understanding of it, because I have heard of nobody on this side of the Chamber or on the other who suggests that the Government should be put at the mercy of the contractors as respects armor.

Mr. TILLMAN. That depends upon what the Senator considers as being placed at their mercy.

Mr. ALLISON. The reason why I have hesitated and why I now hesitate about the establishment of an armor factory is because I think I know that instead of its costing the Government \$300 a ton it would cost twice that amount if made in a Government armor factory. Believing that, I am in favor of the project of the majority of the committee, which will place the alternative in the power of the Government and not in the power of these contractors as to the price that shall be paid.

Now, the Senator from South Carolina and other Senators have said that this armor plate can be made according to any process (because that is the general statement of the Senator from South Carolina) at \$250 a ton.

Mr. TILLMAN. The Secretary of the Navy, the Hon. John D. Long, says it will cost only \$300 a ton, and he and I are only \$50 apart.

Mr. ALLISON. Now, Mr. President, I do not believe even any such experts as the Senator from Pennsylvania and the Secretary of the Navy can show that this armor can be built for \$300 a ton. I must still be permitted to doubt it.

Mr. TILLMAN. Mr. President, where is the Senator if he does not take anybody's statement? The Secretary of the Navy based his statement upon the investigation and the reports of Admiral O'Neil.

Mr. ALLISON. Very well.

Mr. PENROSE. That was not the present armor that is under discussion, the Krupp armor.

Mr. TILLMAN. It was the Krupp armor.

Mr. PENROSE. No; there was no report to that effect.

Mr. ALLISON. Of course I knew, in expressing my understanding of this question from the papers and the documents that I have attempted to read, that I would not find the concurrence of the Senator from South Carolina, or perhaps the Senator from New Hampshire and others who have spoken upon that side of this question; but I also remember perfectly well that after all this testimony had been taken and all the debate had been had in the Senate in prior years we deliberately provided that a contract might be made for \$400 a ton for armor, and we did it upon the recommendation of the Secretary of the Navy. So I take that for my starting point as respects this contention. That was the harveyized armor.

Now comes into play the Krupp armor. If the Krupp invention has been a conspiracy and a device to play upon Congress and upon all the governments of the world in regard to additional cost and additional efficiency, then, of course, whatever we say about it should go for nothing. But I have an idea that Mr. Krupp and the men about him do not engage in this sort of by-play, and especially would he not engage in it for the purpose of enabling Mr. Carnegie and the Bethlehem Iron Works to get a little more for the 2,200 tons per annum that we take of them, or have taken, I think, in the form of armor plate.

Now, Admiral O'Neil is quoted both ways by Senators who have spoken, sometimes on one side and sometimes on the other; but I have formed the opinion myself, from what I know of Admiral O'Neil, that he is an accomplished man in his profession, and that he does not come within the category of naval officers mentioned by the Senator from Colorado and other Senators here. I feel bound to respect his opinion. He tells us in this Document No. 10 that it costs \$35 more—I will not go into the details, it may be \$33—he tells us that it costs \$33 more to manufacture the Krupp armor than it does to manufacture the harveyized armor. Then we find that all those who do manufacture the Krupp armor are obliged to pay somebody \$45 a ton for this invention. I take it that that sum goes to the inventor or somebody who represents him. It is a patent or a secret process. There are secret processes that are not patented, and some of these plans, etc., are patented.

Now, when you take that \$33 a ton, and \$45 a ton for royalty, if you call it that, which is paid for the knowledge that is necessary to acquire this secret process, you have nearly \$80 a ton added to the cost of the Krupp armor as compared with the \$400 a ton that we all agreed here should be paid for the harveyized armor. So I am bound to believe from the investigation I have made that the Krupp armor is much more expensive, ton for ton, pound for pound, than the harveyized armor.

If you will take the estimate of the Committee on Naval Affairs of the harveyized armor at \$350 a ton, \$50 less than the Senate and

the House agreed that it was worth when we authorized the purchase of it at \$400 a ton, then you have added to it about \$85 or \$80 for the additional cost of the Krupp armor, which makes about \$445 a ton. I think the committee deserves the support of the Senate in this arrangement which they have made, which I regard as a reasonable price, taking into account all the elements in the problem. They have said to these people, "If you are not willing to take this small profit which arises from \$445 a ton, we will proceed to create a plant of our own."

Both these propositions involve what I call a rest, unless either one of them will be accepted by the manufacturers of this armor. I prefer the proposition of the Senate committee, because I believe it is fair to the armor manufacturers of our country; and we can have manufacturers nowhere else. We discard the element of competition. We can not go outside of our country and buy this armor; and therefore this bill creates such a condition of affairs as compels us to buy the armor in the United States. If the armor companies will not sell it at the price we have fixed here—which I can not say is an exorbitant one, and I do not believe it is, when I have the concurrent testimony of the Senator from South Carolina [Mr. TILLMAN] and the Senator from Maine [Mr. HALE], the chairman of the Committee on Naval Affairs, in the belief and knowledge, for they both express absolute confidence on this matter—when I find that they, too, concur that our manufacturers will make this armor at \$445 a ton, I am in favor of that course which will produce the armor plates at the earliest possible time.

Mr. TILLMAN. The Senator has got me down wrong again.

Mr. ALLISON. I am sorry. I thought the Senator said a while ago he was satisfied they would accept that price.

Mr. TILLMAN. They would immediately turn around and seek to find an outlet by which they could hocus-pocus the Government and cheat them into another rise, under the pretense of a new discovery.

Mr. ALLISON. I understand; but I undertook to dispel the idea of a pretense by these people in bargaining with the Government on this subject. So I did not quote the last part of the Senator's statement, but I understood he expressed the absolute belief, and I understand him to repeat that expression, that these people will manufacture armor and sell it to the Government for \$445 a ton. If they will, then we will be able to consider independently the propriety of creating an armor plant.

Mr. TILLMAN. How?

Mr. ALLISON. I shall be glad, then, to segregate myself in such a way as to consider that as an independent question; but as it is now, I intend to vote with the Senator from South Carolina in favor of an armor plant, unless—

Mr. TILLMAN. Oh!

Mr. ALLISON. Unless the armor can be purchased at \$445 a ton.

Mr. TILLMAN. If the Senator will permit me, the difficulty about it is that last winter and the winter before last and every year we have had this fight up here the armor-factory people have had two purposes in view. One was to keep us from building a Government factory, so as to get out of their clutches, and the other was to get contracts ahead for a year. The three battle ships which we provided for at \$545 a ton would give them all the armor they could manufacture for twelve months, and they do not care what we do after that, provided we will give them that work for twelve months. Then they know if the armor factory is not built at the end of twelve months we are still at their mercy, and they will come in with some other scheme of robbery and stealing, just as they have done in the past.

The Senator knows by the testimony of Carnegie's own witnesses that they are people who have shown they are not a high type of men, for they have acknowledged that they have plugged up holes in armor plate; that they have put out spongy armor, and that they have deceived the Government by everything that is low and mean and contemptible. They acknowledge that they have cheated the United States, and yet the Senator stands here and pretends he will trust to the honor of those people.

Mr. ALLISON. Mr. President, there is nothing in this bill that touches that question, either in the amendment of the Senator from South Carolina or in the amendment proposed by the committee. The question is whether or not they will sell the Government this armor at \$445 a ton. If they do, it is a reasonable price, in my belief, from the best information I can get from all the documents and papers presented here. If they will not do it, then we will proceed straightway, just as soon as we can do it, to erect our own armor plant, because these two propositions are in one respect upon an equality, except these people are first to have the option of offering us this armor at \$445 a ton.

Mr. TILLMAN. When we reduced the price from \$550 to \$400 a ton, and limited the price to that, they immediately stated they would not take it and could not take it and could not make the armor at that price, and yet they came forward as soon as they got out of work and accepted that proposition.

Mr. ALLISON. They did.

Mr. TILLMAN. They have deceived us time and again. When did the Senator get satisfied as to the quality and character of those people?

Mr. ALLISON. I want to be satisfied now, at least, to do what I think is the best in respect to this matter.

In this document it is stated by these companies that they would prefer to contract at \$400 a ton for harveyized armor than at \$545 a ton for Krupp armor.

Mr. TILLMAN. The Senator is not stating the exact language. The language is ambiguous there, because they do not say "Harvey armor." They just say "common face-hardened armor." I call the Senator's attention to it. They say "common face-hardened armor," which costs much less than the Harvey armor.

Mr. ALLISON. Of course, in my casual reading I supposed they alluded to the Harvey armor. I know the Bethlehem works use Harvey armor. Here is the statement to which I refer:

As already stated to you in conversation, we would prefer to manufacture Harvey armor at \$400 per ton rather than Krupp armor at \$545 per ton, not only on account of the increased cost of the latter, but also on account of the increased risk.

I will not go into the question as to the limit of cost. I did not rise to discuss this question in that view.

I want to say a word or two more, and then I shall have done. I want to make this prediction now, although I am not a prophet nor the son of a prophet: That if we enter upon the exclusive manufacture by the Government of Krupp armor it will be four years before we can put a plate upon a ship.

Mr. SCOTT. Can you not make it another year?

Mr. ALLISON. I will make it another year, to please the Senator from West Virginia, although I think we can do it within four years. I think we ought to be able to do so. After this plant is completed it will be necessary to assemble expert workmen who are familiar with the process of Mr. Krupp, and when all that is done I should not want to be a party in the Senate, by legislation or otherwise, to take, without compensation to the inventor, the process used in the manufacture of Krupp armor, without at least providing for him some compensation, at the rate of a dollar or a dollar and a half a ton, where he now receives \$4 or \$5 a ton.

Mr. SPOONER. If the Senator will allow me, the bill provides contingently for the erection of an armor-plate factory.

Mr. ALLISON. I understand it does.

Mr. SPOONER. There is no provision for any arrangement with Mr. Krupp.

Mr. ALLISON. I am speaking of the reluctance with which I enter upon a scheme here which professes, as it is proposed here, to take the Krupp armor and use it without compensation, because in some roundabout way we have already acquired the secret process whereby that armor is to be provided.

Mr. HAWLEY. The owner of a patent, where the Government attempts to steal it, can obtain judgment for the damage done him, and Congress has many times paid such damages.

Mr. ALLISON. That is true.

Mr. SPOONER. Under this bill, as I understand it, as it is proposed to be passed by the committee, if this legislative threat to construct an armor-plate factory or plant does not secure a satisfactory reduction in the price of armor we will build a factory, and the Secretary of the Navy is directed to do it. There is no provision here for compensating Krupp or anyone else.

Mr. ALLISON. Certainly not.

Mr. SPOONER. And yet the Senator is in favor of this?

Mr. ALLISON. I have stated that as an alternative proposition I intend to vote for this amendment; but that is one of the vices of it, and it does not change my opinion respecting what we ought to do if we undertake to take the Krupp process without compensation. I do not know that either the bill as it passed the House or the bill as reported by the committee so proposed. Perhaps it is the intention to pay a reasonable and proper sum for the use of this invention.

I only speak now in response to what I have heard in this debate as to what will be the cost of Krupp armor. I am trying, if I can, in a feeble way, to suggest that if we do what we ought to do we will find that \$445 per ton is a reasonable price for Krupp armor.

Mr. HOAR. Do I understand the Senator from Iowa to lay down the doctrine that the United States is bound in justice and honor to pay a foreign inventor of a process designed for use in war, which may be used by foreign governments against us, for his invention of military or naval mechanism for warfare?

Mr. ALLISON. No, sir; I do not.

Mr. HOAR. I thought the Senator spoke of Krupp armor?

Mr. ALLISON. I understand this process is patented in this country, and I understand that we pay no attention to that patented process.

Mr. HOAR. Patented by whom—by foreigners?

Mr. ALLISON. I do not know.

Mr. TILLMAN. They are not patented.

Mr. ALLISON. Some of them are patented.

Mr. HOAR. I do not believe there is in the country or on the floor of the Senate a person who will go further than I will in defending the rights of an inventor or a patentee to compensation for his property, but I would certainly stop short of paying a foreign inventor of a gun, or a military or naval mechanism designed for mere hostile purposes, for such an invention.

Mr. ALLISON. I will follow the Senator from Massachusetts in any suggestion he may make upon that subject.

Mr. PERKINS. The Senator will permit me to say that I was informed to-day by the president of the Union Iron Works, of San Francisco, that he was told in consultation with officials of the Bethlehem works, that they had the exclusive right for the United States of the secret and art of making that armor, or the patent, or whatever it may be; that he saw the receipted bill, showing that they had paid \$50.40 a ton as royalty for the right to use the patent in the United States, and that they were compelled to pay that amount for every ton of Krupp armor which they manufactured.

Mr. CHANDLER. I think before the Senator from Iowa finishes he ought to understand what the facts are. The Senator began his speech by declaring that this was a secret, and that was the one reason why we should not fix a price upon it. If he will allow me, I should like to read from Captain O'Neil, who has been so enologized here—

Mr. ALLISON. I shall be very glad to hear it; but I will state to the Senator that I have been obliged, as respects this subject, to gather up documents as I could find them and read them in such a haphazard way as I could find time to do, and, therefore, if I have omitted in my statement a fact that is important, I shall be very glad to have the Senator from New Hampshire correct me.

Mr. CHANDLER. The Senator from Iowa comes forward as an expert on building armor plants.

Mr. ALLISON. No, sir.

Mr. CHANDLER. He has said it would take four years to build an armor plant; and he has said that as an expert, of course.

Mr. ALLISON. I did not state it as an expert. I stated that from experience and observation.

Mr. CHANDLER. Of armor plants?

Mr. ALLISON. Of plants in general; and armor plants do not differ very much from other plants.

Mr. CHANDLER. It is a matter of great importance, Mr. President, I will admit, whether we can build an armor plant within a year and a half or four years; and we have this late expert now put upon the stand. The Senator from Massachusetts [Mr. LODGE] this morning took occasion to sneer at the Senator from South Carolina [Mr. TILLMAN] and myself as experts in armor, and I thought before the day ended some other experts would be brought forward; and now we have the Senator from Iowa.

Mr. ALLISON. If the Senator will allow me, as he is speaking in my time, I wish to disclaim being an expert. As I stated in the beginning, I only desired in a brief way to express the reasons which led me, after listening to almost all the speeches on this subject, to follow the Committee on Naval Affairs rather than to go into the bypaths.

Now I will yield to the Senator.

Mr. CHANDLER. The Senator wound up with a prediction which is a very important contribution to this subject.

Mr. ALLISON. If the Senator can relieve me from that apprehension of mind, I shall be very glad.

Mr. CHANDLER. I can not. I am only going to put expert TILLMAN and myself, as an expert, as the Senator from Massachusetts characterized us, against the expert from Iowa, and say that an armor plant can be got ready in a year or a year and a half without any possible doubt.

Mr. ALLISON. The Senator will allow me to say in respect to Expert TILLMAN that I listened to him and was very much gratified that the statement had been made that the machinery for building an armor plant had been perfected by bonuses and various devices by Mr. Carnegie in twelve months. I also listened to the Senator from Maine, the chairman of the committee, who is also an expert on this subject, I think.

Mr. CHANDLER. We are all learning something, I suppose.

Mr. ALLISON. I certainly am, and I hope to learn more as soon as I yield to the Senator from New Hampshire.

The Senator from Maine stated what we all knew perfectly well, that this Carnegie establishment had already an immense plant and had adapted it to the manufacture of armor plate at an insignificant expense as compared with the building of a plant by the Government or by any individual or corporation not having the same advantages.

Mr. CHANDLER. Mr. President, this steel plant for making rails and structural iron and other things made by Mr. Carnegie had not the slightest reference to a plant for making armor. The plant for making armor was created anew, and the fact that Mr. Carnegie did it did not give him any advantage over anybody else who undertook to make an armor plant right alongside of that

great steel plant. Right alongside of the Government armor plant, if we build one for a million and a half of dollars, we can build a steel plant for a million and a half dollars, and build it just as quickly as we can build an armor plant—within a year and a half. I will undertake to say that we can build both so as to turn out armor within a year and a half. But the Senator from Iowa, with very great positiveness, says, "I predict that there will not be an armor plate upon one of your ships under four years." That is a very important statement, if it is correct.

Mr. ALLISON. It was merely a prediction. Now I shall be glad to hear the Senator read the extract from Admiral O'Neil.

Mr. CHANDLER. The Senator from West Virginia [Mr. SCOTT], who is also an expert witness of the consolidated corporations, suggested that the Senator from Iowa should say five years. Did the Senator accept that amendment from the expert from West Virginia?

Mr. ALLISON. I deferred on that to the Senator from West Virginia.

Mr. CHANDLER. I understood the Senator from Iowa to say that, to please the Senator from West Virginia, he would call it five years.

Mr. SCOTT. Mr. President—

Mr. ALLISON. It is between the Senator from New Hampshire and the Senator from West Virginia. It is only a general statement; and now I shall be glad to yield to the Senator from West Virginia [Mr. SCOTT].

Mr. SCOTT. I only want to say to the Senator from New Hampshire that I come from a small village where we do a little bit of manufacturing. When he gets his million and a half dollar armor-plate plant complete and when he gets his steel forge and plant completed, then his experimental stage commences, which will last him for four or five years before he will make a sheet that the Government of the United States would accept and put on a vessel. I will make that prediction.

Mr. CHANDLER. Call it six or seven years.

Mr. SCOTT. Mr. President, the price of tool steel to-day is \$851.20 per ton. That is the unfinished product. The price you pay for armor plate is for a finished product; and yet the edges of those plates, as some Senators here know, have to be cut down with emery wheels, for nothing else will touch them. While, as I say, the armor plate is the finished article, the tool steel is an article of general merchandise. If a bar of it is not good, perhaps two feet of that bar is merchantable. It does not have to be thrown away, remelted and rerolled; but if an armor plate to be put on a vessel is not perfect, the plate has to be cast aside, and it has to be remelted and rerolled.

Mr. ALLISON. Now, I yield to the Senator from New Hampshire to read the statement of Admiral O'Neil.

Mr. CHANDLER. It is headed "Who Controls the Krupp Process?"

Mr. ALLISON. I have read that.

Mr. CHANDLER. I want to see what there is to the Senator's statement about the secrets we intend to violate. Admiral O'Neil says:

It is learned that the so-called new Krupp process was developed at the works of Fried. Krupp, at Essen, Germany, but that the rights to manufacture—

I want the Senator from California [Mr. PERKINS] to note this—are held by the Harvey Continental Company—

There is an old soldier come on the field again. The Harvey Continental Company has acquired the new Krupp process. They have both got into the same hands.

Mr. ALLISON. I wish the Senator would read what he undertook to do.

Mr. CHANDLER. May I not discourse a little as I go along?

Mr. ALLISON. I will yield the floor, because I see the Senator wants to proceed before I have completed what I intended to say.

Mr. CHANDLER. Then I will read what I intended to read, if the Senator will allow me, and I will not make any comments. I will only read the facts, because I know he wants them—

which disposes of them for a fixed sum—

I beg pardon of the Senator for that aside about the Harvey Continental Company—

which disposes of them for a fixed sum and in consideration of a royalty at an average price of \$50 per ton on all armor manufactured by that process; the agreement providing that the information necessary to manufacture the same shall not be imparted to any but authorized agents, and that no tests shall be agreed to in this country more severe than those specified in Europe.

It is further understood that certain features of the process are patented; probably certain details of the apparatus used in the process of cementation; but little importance, however, is attached to this fact.

Mr. SULLIVAN. Mr. President—

Mr. CHANDLER. The Senator will excuse me.

Mr. SULLIVAN. I was only going to ask the Senator a simple question.

Mr. CHANDLER. Very well.

Mr. SULLIVAN. I ask the Senator if that is the same patented

process which the Senator from Massachusetts and the Senator from Iowa would not use without paying for?

Mr. CHANDLER. Yes; that is undoubtedly the one.

Parties acquiring the rights to manufacture are instructed in the metallurgical and other details of the process at Krupp's works. So far as secrecy is concerned, it will be impossible to maintain it absolutely, and there would be but little difficulty in learning all the details of manufacture if it was desired; but a mere knowledge of the methods employed in making Krupp armor would not alone be of much value to anyone, as possessing information is one thing and having the means and ability to use it is another. Experience and expert knowledge are indispensable and it requires time and costs much money to gain them.

Secrecy is understood to be an obligation imposed by the company which controls the Krupp process, but such provision is not uncommon in manufacturing industries where so-called trade secrets are frequently met with. The method of making certain kinds of powder, armor-piercing projectiles, alloys of various kinds, and processes employed in producing articles is often not patented, but is guarded as a trade secret, for reasons easily understood; hence no significance should be attached to the fact that the Krupp process for making armor is referred to as a secret process.

Then the article goes on and tells the difference between harveyed and Krupp armor; but as I find I was interrupting the Senator, I will only read that much.

Mr. ALLISON. Mr. President, I had about concluded what I wish to say. I think we all agree that in a reasonable way and with reasonable rapidity we should enlarge our Navy, not to the point of the older nations of Europe, but to such point and position as will enable us to thoroughly defend our own possessions and our own coasts and our own country. I am for that; but if we are to have positive legislation now providing that there shall be no armor except the armor we buy now for these ships, I see no particular reason why we should burden this bill with enormous provisions as respects the building of other ships.

I think we can very well, if we enter upon that policy, postpone some of the detailed provisions of this bill. I think it is curious that all the great nations which have built up their navies with much more rapidity than we have should not have found it advantageous to build armor-plate plants. I to-day heard a Senator state that Great Britain has 53 armored battle ships and that she has now under contract 17 more. That is a country which is usually pretty careful in its expenditures and which has very large resources. I think it is rather curious that they found that in building ships they can afford to trust the building to private experience and private contractors, rather than to have the Government build a plant for that purpose. So with Germany. They have no plant.

Mr. TILLMAN. Will the Senator allow me to inject here the statement that the best information I have is that the Emperor of Germany is a large stockholder in the Krupp works, and necessarily he would be perfectly willing for the Government to buy from his own factory and pay whatever price was current.

Mr. ALLISON. That may account for the action of Germany, or the Queen of Great Britain may have some interest in the three or four plants in Great Britain, and so it may be in France. But it is the fact that none of these great Governments have entered as yet upon the manufacture of armor plate. I am inclined to the belief that if we are to cease providing armor for our ships until we establish an armor plant, whether it takes one year or two years, we might very well omit many of the provisions of this bill already inserted. Therefore it is that I hope provision can be made in some way and by some method whereby we can go on in the securing of armor plate by purchase for the present, and if it is necessary to build an armor plant I shall be content with what the majority of the Senate and House shall do.

Mr. HALE. Mr. President, it is so late that I despair of getting a vote to-night, and several Senators have informed me that they desire to speak briefly upon the matter. I will not even ask the Senate to fix a time to take a vote on the amendment to-morrow, but will leave that, of course, to the discretion and good sense of Senators. The bill has hung along a great while. I hope that early to-morrow we may be able to dispose of the bill, and pass it and get it out of the way of other business, every kind of which it stands in the way of. I move that the Senate proceed to the consideration of executive business.

Mr. CARTER. Will the Senator from Maine withdraw his motion for a moment?

Mr. HALE. I withdraw the motion.

CAPE NOME MINING REGION.

Mr. CARTER. I present a paper, being a report of the special agent of the census on certain conditions in Alaska. I move that the paper be printed as a document.

The motion was agreed to.

CRUISE OF REVENUE CUTTER BEAR.

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution of the House of Representatives, which was referred to the Committee on Printing:

Resolved by the House of Representatives (the Senate concurring), That there be printed 8,500 copies of the Cruise of the U. S. Revenue Cutter Bear and the Overland Expedition for the Relief of the Whalers in the Arctic Ocean from

November 27, 1897, to September 13, 1898, being Treasury Department Document No. 2101, Division of Revenue-Cutter Service, 5,000 copies for the use of the House of Representatives, 2,500 copies for the use of the Senate, and 1,000 copies for the use of the Division of Revenue-Cutter Service, Treasury Department.

AGRICULTURAL DEPARTMENT BULLETIN.

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution of the House of Representatives; which was referred to the Committee on Printing:

Resolved by the House of Representatives (the Senate concurring), That there be printed 17,500 copies of Bulletin No. 20 of the Division of Vegetable Physiology and Pathology, United States Department of Agriculture—Peach Leaf Curl: Its Nature and Treatment—the same to be printed from the stereotype plates in the Government Printing Office, 10,000 copies to be distributed by the Department of Agriculture, 2,500 copies to be distributed by the members of the Senate, and 5,000 copies to be distributed by the members of the House of Representatives.

NAVAL APPROPRIATION BILL.

Mr. HALE. Several Senators have suggested to me that the proposition be made to have unanimous consent that the Senate at 2 o'clock to-morrow—

Mr. TILLMAN. I do not think 2 o'clock will give sufficient time.

Mr. HALE. Well, 3 o'clock.

Mr. TILLMAN. Three or 4 o'clock.

Mr. HALE. That at 3 o'clock we shall take a vote upon the pending amendment and all amendments offered to the same, without further debate.

Mr. PETTUS. Offered when?

Mr. HALE. Any amendments offered up to the time of voting.

Mr. CHANDLER. On the whole bill or on this subject?

Mr. HALE. On this subject.

Mr. FORAKER. Any amendment offered up to 3 o'clock?

Mr. HALE. Yes; on all pending amendments and all amendments that may be offered.

Mr. BERRY. Up to the time the vote is taken.

Mr. HOAR. If you have a rule applying to amendments pending, that confines you to the one amendment. So in unanimous-consent agreements we always ought to reserve the right to vote on amendments of which notice has been given before the time for the final vote.

Mr. HALE. I want to go further than that. I want Senators to have the right clear up to the time when the voting commences. That was my proposition.

Mr. TILLMAN. I would not consent to be debarred from offering amendments that they might be voted on.

Mr. HALE. Of course.

Mr. TILLMAN. For instance, I am going to try to get the Senate to accept my amendment. If that is voted down, then I am going to meet the Senator's \$445 proposition, the alternative proposition, with a little rise.

Mr. HALE. Undoubtedly.

Mr. TILLMAN. And I will raise it \$50 or something like that until I hope I will get enough Senators to help us to take a part of the butter off the bread these people have been getting buttered at our expense.

Mr. HALE. All that my proposition stops at 3 o'clock is debate.

Mr. TILLMAN. Then you can offer any amendment and have it voted on up to 3 o'clock? I am satisfied with that.

Mr. ALLISON. I wish to understand the proposition. Any amendments to this proposition which embraces the striking out and insertion—

Mr. HALE. Yes.

Mr. ALLISON. May be offered until the final vote is taken on the amendment.

Mr. HALE. Until the final vote.

Mr. ALLISON. But all debate shall stop at 3 o'clock.

Mr. HALE. All debate shall stop at 3 o'clock.

Mr. PERKINS. That is limited to armor plate?

Mr. HALE. Yes.

The PRESIDENT pro tempore. The Senator from Maine asks unanimous consent that debate on this amendment shall cease at 3 o'clock to-morrow, and that votes shall then be taken not only on this amendment, but on all amendments which any Senator may please to offer to the amendment.

Mr. HALE. Up to the time of the final vote.

The PRESIDENT pro tempore. Up to the time of the final vote.

Mr. BACON. I desire to ask the Senator whether that includes amendments to other parts of the bill?

Mr. HALE. I am only reaching this part of the bill.

Mr. BACON. This particular part?

Mr. HALE. This particular part of the bill.

The PRESIDENT pro tempore. That is the way the Chair stated it.

Mr. BACON. I understood the Chair, but I did not know whether the Senator intended to include all amendments or this one.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maine?

Mr. PETTUS. Is no amendment to be allowed except those which relate to this particular subject?

The PRESIDENT pro tempore. That is the only thing the unanimous consent disposes of. The whole bill outside of this subject will be open to amendment.

Mr. HALE. It refers to nothing but this amendment.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. SULLIVAN. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Saturday, May 12, 1900, at 12 o'clock m.

HOUSE OF REPRESENTATIVES.

FRIDAY, May 11, 1900.

The House met at 12 o'clock m., and was called to order by the Speaker.

Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

The Journal of the proceedings of yesterday was read and approved.

REIMBURSEMENT OF SUNDRY INTERNAL-REVENUE COLLECTORS.

The SPEAKER laid before the House the bill (S. 2657) to reimburse sundry collectors of internal revenue for internal-revenue stamps paid for and charged in their accounts, and not received by them, with House amendments thereto, to which the Senate disapproves.

Mr. GROSVENOR. Mr. Speaker, if I can have the attention of the House for a moment I can explain this matter. The bill as it originally passed the Senate provided for the refunding to some seven or eight collectors of internal revenue of amounts of money that they had paid for revenue stamps which they had never received. A very full report was made by the Department, asking that this appropriation be made. The Senate passed the bill, and while it was pending in the House the gentleman from New York [Mr. DRIGGS] moved to add a small item, the exact amount of which I do not remember, to refund to two deputy collectors in Brooklyn an amount of money which it is admitted they lost in some way in the handling of stamps which they had actually received. In the discussion the question was put by myself if their claim stood upon all fours with the claim of the collectors, and the answer was that it did. Thereupon the amendment was agreed to, but when the bill went back to the Senate it was discovered that the principle was quite a different one.

The collectors had not received the stamps, but it was not denied that so far as the cases of the deputies were concerned, the stamps had been received by the collector himself. Therefore the Senate rejected that amendment. Afterwards, in conferring with the gentleman from New York [Mr. DRIGGS], who I am sorry is not present, it was agreed between us that the House should, if they saw fit, recede from our amendment. In that way the bill will become a law so far as the collectors are concerned, and the bill introduced by the gentleman from New York [Mr. DRIGGS] will be still pending, so far as the deputies are concerned. This is an understanding with the gentleman from New York. I see the chairman of the committee present, or I should not have taken the floor.

Mr. GRAFF. May I ask the gentleman a question?

Mr. GROSVENOR. Certainly.

Mr. GRAFF. Was the rejection of this amendment in the Senate caused by the fact that they did not consider the amendment equitable in itself?

Mr. GROSVENOR. Not at all.

Mr. GRAFF. Simply because it does not belong to the same class.

Mr. GROSVENOR. It did not stand on the same footing, and one of the members of the Finance Committee of the Senate said that they would be entirely willing to examine the case as an original one, but thought it ought not to be put upon this bill.

Mr. GRAFF. I will say that the Commissioner of Internal Revenue recommended the bill introduced by the gentleman from New York [Mr. DRIGGS].

Mr. GROSVENOR. But it is not in the same recommendation, and not upon the same ground as the other.

Mr. GRAFF. That is true.

Mr. GROSVENOR. I will ask the gentleman to make the motion that the House recede.

Mr. GRAFF. Mr. Speaker, I move that the House recede from its amendment and agree to the bill.

The question was put; and the motion to recede was agreed to. On motion of Mr. GRAFF, a motion to reconsider the vote by which the House receded from its amendment was laid on the table.